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Transcript Exhibit(s)

Docket #(s): E-01749A-09-0185

Arizona Corporation Commission

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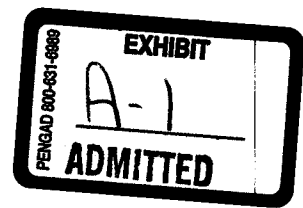
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE APPLICATION OF
GRAHAM COUNTY ELECTRIC COOPERATIVE,
INC. TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY AND TO
TRANSFER CERTAIN OF ITS ASSETS TO THE
CITY OF SAFFORD

Docket No. E-01749A-09-0185

Direct Testimony of Kirk Gray

on Behalf of

Graham County Electric Cooperative, Inc.

October 20, 2015

GALLAGHER & KENNEDY, P.A.
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INTRODUCTION

Q. Please state your name, address and occupation?

A. My name is Kirk Gray. My business address is 9 West Center Street, Pima, Arizona 85543. I am the Assistant General Manager of Graham County Electric Cooperative, Inc. ("GCEC" or the "Cooperative"). As such, I am responsible for assisting the current General Manager with all aspects of GCEC's operations, finances and management.

Q. Please briefly describe your educational background and work-related experience.

A. I have a bachelor of science degree in accounting and I am a Certified Public Accountant licensed to practice in the State of Arizona. I have been the Finance Manager of GCEC for five years and four months. I was named the Assistant General Manager of GCEC on September 2, 2015.

Q. Mr. Gray, what is the purpose of your testimony?

A. I am testifying in support of GCEC's Application to complete the transfer of assets and service territory to the City of Safford ("Safford") pursuant to the Territorial Settlement Agreement ("TSA") entered into in December 2008 and approved by the Commission in January 2010. Specifically, GCEC is requesting that the Commission (1) delete from the Cooperative's Certificate of Convenience and Necessity ("CC&N") the portions of the SSA not already deleted by the Commission in Decision No. 71471 (the "Decision") and (2) authorize the Cooperative's transfer to Safford of all distribution assets used to serve the load within the Safford Service Area ("SSA"). Additionally, in order to ensure a smooth customer transition from GCEC to Safford, the Cooperative is requesting that the

1 Commission waive the customer confidentiality rule so that GCEC can transfer customer-
2 specific information to Safford.

3
4 **BACKGROUND**

5 **Q. Mr. Gray, please describe GCEC?**

6 **A.** GCEC is a non-profit, member-owned electric distribution cooperative. We were formed in
7 1944 and received our CC&N in 1961. The Cooperative serves areas located south and east
8 of the San Carlos Apache Indian Reservation, excluding locations currently served by
9 Safford and the Town of Thatcher. GCEC currently serves approximately 6,500 members.

10
11 **Q. What is the relationship between GCEC and Safford?**

12 **A.** Safford is a municipal corporation of the State of Arizona that operates an electric
13 distribution system both within and outside of its corporate limits. Since 1946, GCEC
14 and Safford have been parties to an agreement regarding their respective rights and
15 obligations to provide electrical service in the area. One provision of the agreement
16 anticipated Safford's future annexation of areas within the Cooperative's CC&N territory
17 and attempted to address the parties' respective rights in the event of such annexation.
18 Unfortunately, that provision has been the subject to significant dispute between the parties,
19 leading to multiple lawsuits. Therefore, in an attempt to resolve ambiguities created by the
20 prior agreement and prevent future disputes, GCEC and Safford entered into the TSA in
21 December 2008. A copy of the TSA is attached as Exhibit KG-1.

1 **Q. Please describe the TSA.**

2 **A.** The TSA clarifies each party's electric service rights and responsibilities within the
3 corporate limits of Safford beginning in January 2009 and establishes a procedure for
4 addressing any territory expansions by Safford in the future. With regard to service within
5 the current corporate limits, the TSA provides for a staged transfer of the SSA territory from
6 GCEC to Safford, with the ultimate goal being the complete transfer of the territory by
7 January 2016. The TSA also establishes a dramatically improved procedure for Safford's
8 future annexation of areas within the Cooperative's CC&N territory.

9
10 **Q. What do you mean by "staged transfer of the SSA territory" and why did the**
11 **parties structure the agreement that way?**

12 **A.** At the time the TSA was executed, Safford did not have the infrastructure and system
13 capabilities in place to immediately serve the load within the SSA. Therefore, the parties
14 agreed that GCEC would continue to serve the existing (as well as some new) customers
15 located within the SSA until Safford would be ready to serve the entire area.
16 Accordingly, the TSA identified two separate transfers – the Initial Transfer and the Final
17 Transfer. Pursuant to Section 6 of the TSA, the Initial Transfer occurred in January 2013,
18 pursuant to which Safford took over service to the Wal-Mart Supercenter and GCEC
19 assumed service to the Safford Municipal Airport properties. Section 7 of the TSA
20 addresses the Final Transfer, which is the subject of the Cooperative's October 1, 2015
21 Application.

1 Q. Mr. Gray, you referenced a prior Commission decision concerning the TSA. Please
2 explain.

3 A. In anticipation of the transactions outlined in the TSA, GCEC filed an application with the
4 Commission in April 2009. In response to that application, the Commission issued the
5 Decision in which it approved the TSA and granted the authorizations necessary to proceed
6 with the Initial Transfer. However, so that the Cooperative could continue to serve the
7 customers and locations within the SSA that were not scheduled to be transferred to Safford
8 until the Final Transfer, the Commission required GCEC to file another application in 2015
9 in order to delete the remaining SSA areas from the Cooperative's CC&N and transfer the
10 facilities necessary to serve the SSA.

11
12 **FINAL TRANSFER**

13 Q. Are the parties prepared to proceed with the Final Transfer?

14 A. Yes. Since the execution of the TSA, GCEC and Safford have worked together to complete
15 all necessary infrastructure and system upgrades so that Safford will be able to serve the
16 load within the SSA. Specifically, Safford upgraded its substation and built in 69 kV
17 transmission switching capability to facilitate GCEC's new 69 kV double circuit into the
18 substation to provide transmission loop feed. Safford also upgraded a primary distribution
19 line to be able to handle the load after the Final Transfer of the SSA.

1 Q. How many GCEC customers are served in the area that will be deleted from the
2 Cooperative's CC&N?

3 A. As of October 1, 2015, GCEC has a total of 778 electric meters in the SSA. However, this
4 number may change between now and the Final Transfer because there are active
5 developments within the SSA area that were excluded from the Commission's Decision and
6 therefore are currently within the Cooperative's CC&N service territory. Based on recent
7 trends, we anticipate that GCEC may add as many as 12 new customers in those
8 developments before the Final Transfer.

9
10 Q. GCEC is also requesting Commission authorization to transfer to Safford all
11 distribution assets used to serve the load within the SSA, correct?

12 A. Yes. The current list of facilities includes those that were in place as of January 1, 2009 and
13 those GCEC added after that date, attached as Exhibits KG-2 and KG-3, respectively.
14 Additionally, for the same reasons that the number of customers within the SSA may
15 increase prior to the Final Transfer, the number of facilities may also increase. Accordingly,
16 the Cooperative is requesting that the Commission's Order include authorization to transfer
17 to Safford the facilities identified on the two lists as well as any facilities that GCEC may
18 construct within the SSA prior to the Final Transfer.

1 Q. What is the distinction between facilities in place as of January 1, 2009 and those that
2 were added after that date?

3 A. Under the TSA, the purchase price that Safford will pay GCEC is calculated based on the
4 replacement cost less depreciation ("RCLD") of the facilities that were in place on January
5 1, 2009 (but in no event less than \$950,000 or greater than \$1,250,000) plus the cost of
6 facilities installed by GCEC after January 1, 2009. As indicated on Exhibit KG-2, the
7 RCLD of the SSA facilities that existed as of January 1, 2009 is \$662,892.99, which is less
8 than the minimum purchase price set forth in the TSA. Exhibit KG-3 shows the cost of
9 facilities installed from January 1, 2009 through August 2015. Because this calculation will
10 be revised to incorporate the cost data for facilities installed in September 2015 and over the
11 next few months, the total purchase price is not yet known. However, we estimate the final
12 purchase price will be in the \$975,000 range.

13
14 Q. Mr. Gray, can you please describe some of the benefits associated with the TSA and
15 the Final Transfer?

16 A. There are many benefits. As the Commission acknowledged in the Decision, the TSA
17 resolved a long-standing dispute between GCEC and Safford over service rights in and
18 around Safford. In addition to working cooperatively over the past several years, after the
19 Final Transfer we anticipate a more peaceful coexistence given the TSA provisions
20 addressing future Safford annexations and because the Cooperative will continue to provide
21 transmission wheeling services to Safford pursuant to the parties' Wheeling and
22 Transmission Agreement. From a financial perspective, the Cooperative will benefit from
23

1 the TSA's minimum purchase price clause and the future wheeling revenues. Additionally,
2 GCEC will avoid litigation (including potential condemnation) in connection with Safford's
3 current acquisition and future annexations.
4

5 **Q. What impact will the Final Transfer have on the customers within the SSA?**

6 **A.** We have worked with Safford to make the transition as seamless as possible for the
7 customers. In 2009, GCEC mailed notices to all customers within the SSA as well as
8 owners of large undeveloped tracks of land in the area describing the anticipated transfer to
9 Safford. Since then, the Cooperative has explained the transfer to all new customers and
10 intends to send another notice to affected customers in a form prescribed by the
11 Administrative Law Judge. GCEC is not aware of any customer opposition to the transfer,
12 most likely because Safford's rates are fairly consistent with the Cooperative's (and in some
13 cases are lower).¹ The transfer will also benefit customers who currently receive other
14 utility services from Safford by consolidating providers. Finally, customers who move to
15 the SSA in the future will avoid confusion regarding which entity to contact for electrical
16 service.
17

18 **Q. When will the transfer of customers occur?**

19 **A.** The TSA calls for the Final Transfer to take place on or after December 31, 2015. In order
20 to coordinate some of the logistics (including final meter readings), Safford and GCEC have
21 scheduled the transfer to begin on January 4, 2016. During the transfer, there may be some
22

23 ¹ GCEC will supplement this filing with a comparison of the rates and terms of service, which will be identified as
24 Exhibit KG-4.

1 intermittent loss of power due to system switching between GCEC and Safford, but any loss
2 will be temporary and the parties will work together to minimize any customer
3 inconvenience. In a proactive effort to provide a smooth transition process, Section 16 of
4 the TSA requires GCEC to provide Safford with customer lists, addresses, billing
5 information, load histories and other relevant account information, which is why the
6 Cooperative is also requesting Commission waiver of the customer confidentiality rule.²
7 After the Final Transfer, GCEC will send a final bill to the transferred customers (based on
8 the final meter reads). For customers who have a deposit on file, their final GCEC bills will
9 include a deposit refund and, if the deposit amount exceeds the final bill amount, the
10 Cooperative will refund the remaining balance via check to the customer directly. All
11 future electric service bills will be issued by Safford.

12 13 CONCLUSION

14 **Q. Do you have any concluding remarks?**

15 **A.** I do. Section 7 of the TSA will require the Cooperative to make monthly payments to
16 Safford if Commission authorization is not received in time for the January 4, 2016 Final
17 Transfer. Accordingly, GCEC greatly appreciates the Commission's assistance with this
18 matter, including the expedited processing by the Utilities Division and the prompt attention
19 of Hearing Division.

20
21 For the reasons stated herein and in our October 1, 2015 Application, GCEC respectfully
22 requests that the Commission enter its Order at the December 2015 Open Meeting (1)

23 ² GCEC will file a supplemental Exhibit KG-5 confirming Safford's customer confidentiality practices.

1 deleting from the Cooperative's CC&N the portions of the SSA not already deleted by
2 the Decision, (2) authorizing the Cooperative's transfer to Safford of all distribution
3 assets used to serve the load within the SSA and (3) waiving A.A.C. R14-203(A)(2) to
4 permit the Cooperative to share any necessary customer information in connection with
5 the Final Transfer.
6

7 **Q. Does this conclude your direct testimony?**

8 **A. Yes, it does.**
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EXHIBIT KG-1

TERRITORIAL SETTLEMENT AGREEMENT

1. AGREEMENT AND PARTIES.

This Territorial Settlement Agreement ("this Agreement") is entered into by and between the City of Safford and Graham County Electric Cooperative, Inc. (the "Parties") pursuant to the Principles as defined in Section 2.9.

2. DEFINITIONS.

2.1 "ACC" refers to the Arizona Corporation Commission.

2.2 "Airport Property" refers to the property described on Exhibit "A" hereto.

2.3 "Authorized Representative" refers to a representative designated from time to time by a Party to work with the designated representative of the other Party and having the authority of such Party to implement the agreements of the Parties set forth in this Agreement.

2.4 "CFC" refers to the National Rural Utility Cooperative Finance Corporation.

2.5 "Graham" refers to Graham County Electric Cooperative, Inc.

2.6 "Graham's CC&N" refers to Graham's Certificate of Convenience and Necessity issued by the ACC in its Decision No. 33006 dated April 6, 1961.

2.7 "Lawsuits" refers to Graham County Superior Court Cause Nos. CV2005-0081 and CV2005-0083.

2.8 "1946 Agreement" refers to the Agreement entered into by and between Safford, Graham, and the City of Thatcher and dated January 22, 1946.

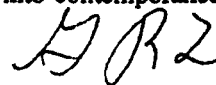
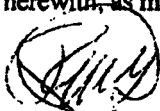
2.9 "Principles" refers to the Settlement Principles of Territorial Issues Between Safford and Graham entered into on September 8, 2008.

2.10 "Safford" refers to the City of Safford.

2.11 "Safford Service Area" refers to the area depicted on Exhibit "B" hereto.

2.12 "Wal-Mart Property" refers to the property to the east of 20th Avenue, between US 70 and 8th Street, on which the Wal-Mart SuperCenter is located.

2.13 "Wheeling and Transmission Agreement" refers to the Wheeling and Transmission Agreement Between Safford and Graham entered into contemporaneously herewith, as may be amended from time to time.



3. EFFECTIVE DATE.

This Agreement shall become effective as of January 1, 2009 (the "Effective Date").

4. PROVISION OF SERVICE WITHIN THE SAFFORD SERVICE AREA.

4.1 Except as otherwise provided pursuant to other provisions in this Agreement set forth below, from January 1, 2009 through the closing of the sale of the Final Transfer Facilities pursuant to Section 7 herein, Safford and Graham shall each continue to provide electric service to the existing loads and customers within the Safford Service Area that each of them is serving as of the Effective Date.

4.2 Graham will not object to Safford connecting new customer loads located within the Safford Service Area to Safford's distribution facilities and providing electric service to such new loads after January 1, 2009.

4.3 Customers that are receiving construction or temporary service from Graham as of January 1, 2009 within the Safford Service Area shall become customers of Safford on the date such construction or temporary service is connected to Safford's distribution facilities. Safford shall have the right to and shall make such connections no later than the closing of the sale of the Final Transfer Facilities pursuant to Section 7 herein.

4.4 If, after January 1, 2009, any customer requires new or temporary service within the Safford Service Area, and Safford has not acquired the Final Transfer Facilities, as defined in Section 7, and it is anticipated that Safford will not have constructed connecting distribution facilities in order to provide the service to the new customer, the Parties agree that Graham (and not Safford) will, after discussions, deliberation, and agreement with Safford, proceed to install all necessary facilities to timely serve the new customer's load, temporarily connecting any such new customer's load to Graham-owned distribution facilities.

4.4.1. In such event, such new customer shall become a retail customer of Graham and such new customer's load shall continue to be served by Graham until the Final Transfer Facilities are transferred to Safford.

4.4.2 Also in such event, Safford shall reimburse Graham for Graham's actual cost of installing all necessary facilities to serve such new customer's load, including any line extension costs, but less any contributions that would be payable by such customer for such facilities, at the time of closing of the transaction transferring the Final Transfer Facilities to Safford.

4.5 Graham shall also serve, until the Final Transfer Facilities are transferred to Safford, any new customer's load located within the Safford Service Area, which customer: (i) demands service from Graham prior to the date that the ACC approves the modification to Graham's CC&N pursuant to Section 8; and (ii) refuses to instead be connected to Safford's distribution system to be served by Safford pending the transfer of the Final Transfer Facilities to Safford.

4.5.1 Safford shall reimburse Graham for the actual cost of facilities installed by Graham, including any line extension costs, but less any contribution paid by the customer and retained by Graham, for such service to customers pursuant to this Section 4.5, but in no event shall such reimbursement be any greater than the costs that the Parties agree would be incurred by Safford to connect such customer to Safford's distribution system (less any contributions that would be payable by such customer).

4.5.2 Safford shall pay Graham such agreed upon costs at the closing of the transaction transferring the Final Transfer Facilities to Safford.

4.6 The costs incurred for and any value of the facilities and associated line extensions described in Section 4.4 and Section 4.5 shall be excluded from the final RCLD Purchase Price of the Final Transfer Facilities determined pursuant to Section 7.3(i), and instead shall be payable pursuant to Section 7.3(ii).

5. PROVISION OF SERVICE OUTSIDE THE SAFFORD SERVICE AREA.

5.1 Beginning January 1, 2009, Safford shall have the right to provide electric service in territory outside the Safford Service Area to customers located in areas annexed by Safford, provided Safford first acquires, pursuant to the procedures specified in this Section 5, Graham's distribution facilities used to serve loads located in such annexed areas.

5.2 In any such acquisition of facilities by Safford from Graham pursuant to Section 5.1, Graham shall retain any facilities necessary for Graham to continue to provide service to its customers' loads in area(s) Graham will be continuing to serve. The Parties shall make good faith efforts to promptly identify the facilities to be retained by Graham.

5.3 For any such acquisition pursuant to Section 5.1, Safford shall give Graham three (3) years' written notice of its intention to purchase Graham's electrical distribution facilities used to serve load located in any such annexed area outside the Safford Service Area that Safford intends to serve. *Graham shall file and diligently pursue appropriate requests with the ACC, the CFC, and any other holder(s) of liens on the facilities being acquired, requesting (i) approval of the transfer to Safford of title to such facilities, (ii) release of any and all liens made by Graham on such facilities, and (iii) authority to discontinue retail electric service to the affected customers as of the third anniversary of the notice. Graham shall use reasonable efforts to obtain approval by the ACC, CFC, and any such lienholder prior to the third anniversary of the notice. Safford agrees to assist Graham in obtaining such approvals by providing a letter and testimony in support of the approvals, if testimony is requested by Graham or the ACC, at Safford's own expense.*

5.4 The purchase price paid to Graham for any such facilities acquired by Safford pursuant to Section 5.1 shall be five (5) times the annual billings for service to customers in the annexed area (such billings to be determined by reference to Graham's records,

which Graham shall make available to Safford, and which Safford may audit at its sole expense) based upon the total amount of all ACC authorized items and charges shown on the last twelve monthly bills for each customer in the annexed area, with the last of such twelve monthly bills to be the last one that was sent at least thirty days before the third anniversary of the notice.

5.5 In the event Graham adds facilities in the territory after Safford has given the written notice pursuant to Section 5.3 and prior to acquisition, the formula set forth in Section 5.4 shall be used to determine the purchase price of such facilities, and in the event such facilities have not been installed for one full year prior to acquisition, a full year of service and billings for the customers being served by such additional facilities added in the annexed area shall be developed to determine the purchase price based upon proration of available service and billing data. For service to any customer(s) being served by such additional facilities added in the annexed area to whom no monthly bill has been sent at least thirty days before the third anniversary of the notice, the Parties will, within thirty days after the closing date, calculate and agree on the additional purchase price of the added facilities for such customer(s) based on a prorated year of billings for such customer(s), and Safford shall then pay Graham such additional purchase price amount within thirty days after the Parties agree on the calculation.

5.6 Subject to receipt of necessary regulatory and other approvals necessary to sell such facilities to Safford, the scheduled closing date for the transfer of any facilities pursuant to Sections 5.1 through 5.5 shall be the third anniversary of the date the notice is given. The form and substance of any transfer documentation for the transfer of such facilities shall be reasonably satisfactory to both Parties and shall warrant that such facilities and associated real property interests are being conveyed free and clear of any monetary liens.

5.7 In the event, for any reason, Graham has not obtained approval from the ACC, CFC, or any other person or entity holding a lien made by Graham on Graham's portion of the facilities to be transferred pursuant to Sections 5.1 through 5.5 prior to the third anniversary of the date notice is given pursuant to Section 5.3, Graham shall pay Safford, until the closing of the sale of the facilities being acquired, a fee equal to the product of a rate (in Dollars per kWh) equal to the then current wheeling rate (in Dollars per kWh), multiplied by all monthly retail electric sales in kWh of Graham's customer accounts, starting as of such third anniversary of the notice, for customers served by the facilities being acquired.

5.8 Safford shall, as the sole alternative to using its powers of condemnation, use the method set forth in Sections 5.2 to 5.7 for the purpose of expanding its electric system and electric services beyond the Safford Service Area.

5.8.1 However, nothing contained herein shall (i) bar Safford from increasing its municipal boundaries pursuant to lawful annexation of properties, or (ii) limit the right of Safford to exercise its powers of condemnation.



5.8.2 If, however, Safford chooses to proceed by condemnation against Graham, Graham shall not be limited in such proceeding to the determination of a value for its facilities as specified in this Agreement, including without limitation the formulae set forth in Sections 5.4 and 5.5.

5.9 Graham will not object to Safford expanding its distribution system outside of (a) the Safford Service Area or (b) any area where Safford has acquired facilities and service rights pursuant to Sections 5.1 through 5.5 if such expansion is solely for reliability purposes, interconnects with electric facilities of Graham in accordance with the Wheeling and Transmission Agreement, or with the Town of Thatcher, and so long as such facilities serve no retail electric distribution load that is not within either (a) the Safford Service Area, or (b) any area where Safford has acquired facilities and service rights pursuant to Sections 5.1 through 5.5.

5.10 Subject to the provisions of Section 8.5, the 1946 Agreement is hereby terminated.

6. INITIAL TRANSFER DATE AND INITIAL TRANSFER FACILITIES.

6.1 Electric service to the electric customers' loads of the Airport Property shall continue under existing arrangements until the Initial Transfer Date, as defined in Section 6.2, so that until the Initial Transfer Facilities, as defined in Section 6.3, are exchanged between the Parties, Safford will receive and pay for retail electric service from Graham, as measured by a master meter, and may resell the power to individually metered customers. Graham shall continue to provide service to the Wal-Mart Property until the closing of the sale of the Initial Transfer Facilities.

6.2 On December 31, 2012 ("Initial Transfer Date"), or on such later date as may be required pursuant to Section 6.7, the Parties shall simultaneously enter into the following exchanges and transfers, each of which shall be conditioned upon and in consideration for the other:

6.2.1 In exchange and consideration for the transfer described in Section 6.2.2, Safford shall purchase from Graham, and Graham shall sell and convey to Safford, *Graham's distribution facilities, and its real property interests concerning such distribution facilities, used in providing electric service to the Wal-Mart Property; and*

6.2.2 In exchange and consideration for the transfer described in Section 6.2.1, Graham shall purchase from Safford, and Safford shall sell and convey to Graham, *Safford's distribution facilities, and its real property interests concerning such distribution facilities, used in providing electric service to the Airport Property.*

GR2



6.3 The Wal-Mart Property and Airport Property facilities and associated real property interests are collectively referred to as the "Initial Transfer Facilities." The Authorized Representatives of the Parties shall identify and agree upon the specific facilities that are Initial Transfer Facilities no later than December 31, 2011.

6.4 On or before January 15, 2012, Graham shall file appropriate requests with the ACC, the CFC, and any other holder(s) of liens on Graham's portion of such Initial Transfer Facilities, requesting (i) approval of the transfer to Safford of title to Graham's portion of the Initial Transfer Facilities, (ii) release of any and all liens made by Graham on Graham's portion of the Initial Transfer Facilities, and (iii) authority to discontinue retail electric service to the affected customers as of the Initial Transfer Date. Graham shall use reasonable efforts to obtain approval by the ACC, CFC, and any such lienholder prior to the Initial Transfer Date. Safford agrees to assist Graham in obtaining such approvals by providing a letter and testimony in support of the approvals, if testimony is requested by Graham or the ACC, at Safford's own expense.

6.5 In the event, for any reason, Graham has not obtained approval from the ACC, CFC, or any other person or entity holding a lien made by Graham on Graham's portion of the Initial Transfer Facilities prior to the Initial Transfer Date, Graham shall pay Safford a fee equal to the product of a rate (in Dollars per kWh) equal to the then current wheeling rate (in Dollars per kWh), multiplied by all monthly retail electric sales in kWh of Graham's customer accounts, starting January 1, 2013, for customers served by Graham's portion of the Initial Transfer Facilities.

6.6 Such payments to Safford shall continue until Graham obtains approval from the ACC, CFC, or any other lienholder, or, in the event of CFC or other lienholder approval delay, Graham provides an alternative to lien release satisfactory to Safford and Graham, such as collateral or indemnity.

6.7 Safford and Graham shall close the sale of the Initial Transfer Facilities within ten (10) days after Graham provides notice that it has either obtained the approvals and releases required by Section 6.4 or that it has provided satisfactory alternatives as described in Section 6.6, but not sooner than the Initial Transfer Date. The form and substance of any transfer documentation for the transfer of Initial Transfer Facilities shall be reasonably satisfactory to both Parties and shall warrant that such facilities and associated real property interests are being conveyed free and clear of any monetary liens. Each Party shall pay half of any escrow or related costs, charges, or fees, if any.

7. FINAL TRANSFER DATE AND FINAL TRANSFER FACILITIES.

7.1 Effective as of December 31, 2015, or upon the closing of the sale of the Final Transfer Facilities pursuant to Section 7.8, whichever is later, Safford shall become the sole provider of electric service within the Safford Service Area.

7.2 On December 31, 2015 ("Final Transfer Date"), or on such later date as may be required pursuant to Section 7.8, Safford shall purchase from Graham, and Graham shall sell and convey to Safford, Graham's distribution facilities, and its real property interests

concerning such distribution facilities, used in providing electric service to loads existing within the Safford Service Area ("Final Transfer Facilities"), and any such distribution facilities that may be installed by Graham within the Safford Service Area pursuant to Sections 4.4 and 4.5. The Authorized Representatives of the Parties shall identify and agree upon the specific facilities that are Final Transfer Facilities no later than November 15, 2014.

7.3 The total purchase price for the Final Transfer Facilities and for any distribution facilities installed by Graham pursuant to Sections 4.4 and 4.5 shall consist of the sum of: (i) an amount equal to replacement cost less depreciation ("RCLD") of the Final Transfer Facilities as of the Final Transfer Date, but in no event to be less than \$950,000 or greater than \$1,250,000 ("RCLD Purchase Price"); plus (ii) any amounts payable by Safford pursuant to Sections 4.4 and 4.5 and as set forth in Section 4.6.

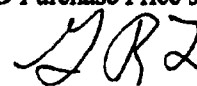
7.3.1 RCLD as used herein shall mean a valuation of such distribution facilities derived by using estimates of the cost to replace such facilities with facilities of similar productive capacity as of the valuation date, less the depreciation, which shall be determined in accordance with generally accepted accounting principles, that has accumulated on such existing facilities based on the transferring party's service records, extending such depreciation through the valuation date.

7.3.2 Graham shall provide Safford with its estimate of the RCLD Purchase Price no later than November 15, 2014, and the Parties will work in good faith to agree on the RCLD Purchase Price prior to January 15, 2015.

7.3.3 In the event the Parties are unable to agree on the RCLD Purchase Price and are therefore in dispute as to the RCLD Purchase Price as of January 15, 2015, the amount to be deposited as the RCLD Purchase Price pursuant to Section 7.4 shall be the midpoint between the estimate derived by Graham and the estimate derived by Safford, but in no event shall such amount be less than \$950,000 nor greater than \$1,250,000.

7.3.4 If the midpoint is used for the deposit and either Party is dissatisfied with using the midpoint as the RCLD Purchase Price, either Party may refer the derivation of the RCLD Purchase Price for resolution pursuant to the dispute resolution process set forth in Section 11, with the arbitrator(s) required to resolve the final RCLD Purchase Price prior to the Final Transfer Date.

7.4 No later than January 15, 2015, Safford shall deposit into an escrow account at a bank, escrow company, or other similar institution of Safford's choice, the RCLD Purchase Price for the Final Transfer Facilities determined pursuant to Section 7.3. Any interest accumulated in the escrow account prior to the Final Transfer Date shall belong to Safford, and each Party shall pay half of any escrow or related costs, charges, or fees. Any amount of such deposit not needed as part of the final RCLD Purchase Price shall be



refunded to Safford at the close of the sale of the Final Transfer Facilities. Any deficiency in the amount of the funds deposited with respect to the final RCLD Purchase Price shall be paid by Safford to Graham at the closing of the sale of the Final Transfer Facilities.

7.5 On or before January 15, 2015, Graham shall file appropriate requests with the ACC, the CFC, and any other holder(s) of liens on the Final Transfer Facilities, requesting (i) approval of the transfer to Safford of title to the Final Transfer Facilities, (ii) release of any and all liens made by Graham on the Final Transfer Facilities, and (iii) authority to discontinue retail electric service to the affected customers as of the Final Transfer Date. Graham shall use reasonable efforts to obtain approval by the ACC, CFC, and any such lienholder prior to the Final Transfer Date. Safford agrees to assist Graham in obtaining such approvals by providing a letter and testimony in support of the approvals, if testimony is requested by Graham or the ACC, at Safford's own expense.

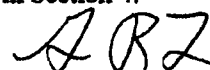
7.6 In the event, for any reason, Graham has not obtained approval from the ACC, CFC, or any other person or entity holding a lien made by Graham on the Final Transfer Facilities prior to the Final Transfer Date, Graham shall pay Safford a fee equal to the product of a rate (in Dollars per kWh) equal to the then current wheeling rate (in Dollars per kWh), multiplied by all monthly retail electric sales in kWh of Graham's customer accounts, starting January 1, 2016 for customers served by the Final Transfer Facilities and any customers served pursuant to Section 4.4 and Section 4.5.

7.7 Such payments to Safford shall continue until Graham obtains approval from the ACC, CFC, or any other lienholder, or, in the event of CFC or other lien-holder approval delay, Graham provides an alternative to lien release satisfactory to Safford and Graham, such as collateral or indemnity.

7.8 Within ten (10) days after Graham provides notice that it has either obtained the approvals and releases required by Section 7.5 or that it has provided satisfactory alternatives as described in Section 7.7, but not sooner than the Final Transfer Date, Safford and Graham shall notify the escrow agent of the final RCLD Purchase Price pursuant to Section 7.3 and shall close the sale of the Final Transfer Facilities. The form and substance of any transfer documentation for the transfer of Final Transfer Facilities shall be reasonably satisfactory to both Parties and shall warrant that such facilities and associated real property interests are being conveyed free and clear of any monetary liens.

8. ACC APPROVAL TO MODIFY GRAHAM'S CC&N.

8.1 Within 120 days after execution of this Agreement, Graham shall file with the ACC, and shall then diligently prosecute, an application to modify its CC&N to exclude from its service territory the Safford Service Area. In the application process, Graham will also notify the ACC of the reservations and provisions herein relating principally to: (i) Graham's continuing service in the periods prior to the Initial Transfer Date and Final Transfer Date; (ii) the transfer of the Initial Transfer Facilities and Final Transfer Facilities; and (iii) the interim service arrangements described in Section 4.



8.2 Safford shall assist Graham in obtaining this ACC approval by providing, at Safford's sole expense, a letter and testimony in support of such ACC approval, if requested by Graham or the ACC.

8.3 If requested by the ACC, Safford agrees to provide a legal description of the Safford Service Area at its expense.

8.4 If requested by the ACC, the Parties shall work cooperatively to provide a description of the areas served by Graham with the Initial Transfer Facilities and the Final Transfer Facilities.

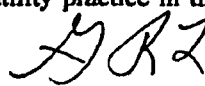
8.5 If the ACC has not by written order approved such modification to Graham's CC&N by June 30, 2010, the Parties will cooperate and work together for an additional 180 day period to attempt to resolve any issues or concerns the ACC may have raised and/or to otherwise effectuate ACC approval of modification to the CC&N. If, by the end of that additional 180 day period, the ACC has not by written order approved modification to Graham's CC&N, and the Parties have not otherwise agreed to further extend the period to continue working to achieve ACC approval, the 1946 Agreement will again become effective and reinstated.

8.6 In the event the 1946 Agreement becomes effective and reinstated pursuant to Section 8.5, the Parties agree to inform the Graham County Superior Court in the Lawsuits of such reinstatement, and either Party may petition the Court to resume its proceedings in the Lawsuits. In the event the 1946 Agreement becomes effective and reinstated pursuant to Section 8.5, the Parties hereby agree that any applicable statute of limitations, statute of repose, or other applicable time limitation governing or relating to any of the claims or causes of action that were or could have been raised in the Lawsuits or that relate to the subject matter of this Agreement, shall be and hereby are tolled and shall not expire until two years after the date the 1946 Agreement becomes effective and reinstated.

8.7 If and when the ACC approves the modification to Graham's CC&N pursuant to Section 8.1, the Parties will promptly take such actions as are necessary to have the Lawsuits dismissed with prejudice, with each Party to bear its own costs and attorneys' fees.

9. CONDITION OF AND RESPONSIBILITY FOR THE TRANSFER FACILITIES.

9.1 Each Party shall accept the Initial Transfer Facilities, the Final Transfer Facilities, and any other facilities transferred pursuant to Section 5, and the associated conveyed real property interests, AS IS and WHERE IS, as of the Initial Transfer Date, the Final Transfer Date, and the date of transfer of other facilities pursuant to Section 5, respectively; provided that the conveying Party shall maintain its facilities that are subject to sale and transfer hereunder in accordance with standard utility practice in the period prior to the sale and transfer of any such facilities.



9.2 Whenever any facilities and respective associated real property interests are transferred and conveyed pursuant to Sections 5, 6, and 7, the selling Party shall no longer hold any right, title, or interest in such transferred facilities and associated real property interests.

9.3 Further, whenever any facilities and respective associated real property interests are transferred and conveyed pursuant to Sections 5, 6, and 7, the purchasing Party shall then be solely responsible for: (i) providing electric service to the customers connected to such transferred facilities, and (ii) all right, title, interest, operation, maintenance, and disposition of such transferred facilities and associated real property interests.

10. EASEMENTS.

10.1 The Parties agree that easements required by a requesting Party from the other Party to enable the requesting Party to perform in accordance with the provisions of this Agreement shall be made available to the requesting Party without undue cost or delay by the other Party. Each Party agrees to be reasonable within standard utility practice with respect to the locations it requests for such easements in the service territory of the other Party.

10.2 Any easement that has been granted by a Party to the other Party shall not be set aside by the granting Party so long as the other Party requires such easement to provide electric service in its service territory pursuant to this Agreement.

11. ALTERNATIVE DISPUTE RESOLUTION.

11.1 Any question, dispute, or controversy (a "dispute") arising out of or related to the terms and/or subject matter of this Agreement shall be submitted in writing by the Authorized Representative of the disputing Party to the Authorized Representative of the other Party. The Authorized Representatives shall attempt to resolve any such dispute within fifteen (15) days of such submittal and presentation.

11.2 In the event the Authorized Representatives are unable to resolve the dispute within such fifteen (15) days, such dispute shall be submitted by the disputing Party to arbitration and resolved in accordance with the arbitration procedures set forth as follows:

11.2.1 The Authorized Representatives shall attempt to agree on the selection, retention, and appointment of a single neutral independent arbitrator with expertise in the area of the dispute, within ten (10) business days after expiration of the fifteen (15) day resolution period in Section 11.1 above. The cost of such single arbitrator shall be shared equally by the Parties. If the Parties fail to agree upon a single arbitrator within that ten (10) business day period, each Party shall choose one arbitrator within the next five (5) business days who shall sit on a three (3) member arbitration panel. Safford shall retain and provide one arbitrator at its sole expense and Graham shall retain and provide one arbitrator at its sole expense. Those two arbitrators shall select and retain a third independent arbitrator, who shall chair the arbitration panel. The expenses related to the third



independent arbitrator shall be shared equally by Safford and Graham. In either case, the arbitrators shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration).

11.2.2 The arbitrator(s) shall conduct an arbitration of the dispute within twenty (20) days after appointment (or such shorter or longer time as agreed upon by the arbitrator(s) and approved by the Parties). The arbitrator(s) shall provide each of the Parties with the opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and applicable substantive law. Except to the extent it would be contrary to or inconsistent with the provisions herein, the provisions of A.R.S. §§ 12-1501 et seq. shall apply. If there is a three member panel rather than a single arbitrator, the powers of the arbitrators, including the power to issue rulings on the merits of the dispute, may be exercised by a majority.

11.2.3 Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within thirty (30) days following the arbitration, and shall notify the Parties in writing of such decision and the reasons for it, but without the necessity of detailed findings of fact and conclusions of law. In the discretion of the arbitrator(s), the ruling may include an award of the prevailing Party's costs and reasonable attorneys' fees against the other Party. The decision of the arbitrator(s) shall be final and binding on the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be opposed or modified in accordance with and for the reasons set forth in A.R.S. §§ 12-1512 and 1513.

12. SPECIFIC PERFORMANCE.

In addition to such other remedies as may be available under applicable law, the Parties acknowledge that the remedies of specific performance and/or injunctive relief shall be available and proper through an arbitration proceeding pursuant to Section 11 in the event any Party fails or refuses to perform its duties hereunder.

13. AUTHORITY FOR THIS AGREEMENT.

13.1 Graham and Safford each represent and warrant that the person signing this Agreement on its behalf has full authority to execute this Agreement, and that it has taken all action necessary or appropriate under applicable law and the organizational documents of such Party to make this Agreement the valid and binding obligation of such Party, enforceable in accordance with its terms.

13.2 Graham represents and warrants that it is an Arizona non-profit electric cooperative that was incorporated in 1945 and is duly formed, validly existing, and in good standing pursuant to the laws of the State of Arizona and has the full power and authority to enter into this Agreement.

13.3 Safford represents and warrants that it is an Arizona municipal corporation duly formed, validly existing, and in good standing pursuant to the laws of the State of Arizona and has the full power and authority to enter into this Agreement.

14. ENTIRE AGREEMENT.

Together with the contemporaneously executed Wheeling and Transmission Agreement, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and may be modified only by a written instrument signed by the parties hereto.

15. EXHIBITS.

Each Exhibit identified in and attached to this Agreement is hereby incorporated in and made a part of this Agreement as if set forth in its entirety wherever referenced in this Agreement, and may be modified or replaced by a substitute Exhibit only upon the mutual agreement of both Parties evidenced by their signatures on the substitute Exhibit together with identification of the prior Exhibit and the effective date of substitution.

16. COOPERATION IN TRANSFER OF RECORDS AND SERVICE.

Each Party shall promptly cooperate with the other Party in all reasonable respects to provide for a smooth and uninterrupted transition of electric service to each customer affected by this Agreement, including without limitation by providing the other Party customer lists, addresses, billing information, load histories, and other relevant account information necessary or convenient to facilitate the accurate identification of all customers affected, the delivery by the Parties of notices of the transition, and the provision of continued and uninterrupted electric service to all such customers.

17. NOTICES.

Any notice or other written communication to or upon Safford or Graham pursuant to this Agreement shall be deemed properly made and received if made in writing and addressed to the person(s) and address(es) for Safford and Graham set forth below, and shall be effective (i) three days after it is deposited and post-marked with the United States Postal Service, postage prepaid, return receipt requested, or (ii) upon hand delivery:

If to Graham:

General Manager
Graham County Electric Cooperative, Inc.
9 West Center Street
Pima, Arizona 85543



With a copy to:

Michael M. Grant
Gallagher & Kennedy, P.A.
2575 East Camelback Road # 1100
Phoenix, Arizona 85016-9225

If to Safford:

City Manager
City of Safford
717 Main Street
Safford, Arizona 85548-0272

With copies to:

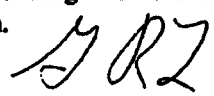
City Attorney
City of Safford
717 Main Street
Safford, Arizona 85548-0272

K.R. Saline & Associates
160 North Pasadena, # 101
Mesa, Arizona 85201-6764

Routine correspondence regarding mutual discussions, negotiations, deliberations, transactions, or operations may be made by electronic mail, facsimile, telephone, or such other means as the Parties may mutually determine from time to time in furtherance of efficient, effective, and cooperative communication.

18. UNCONTROLLABLE FORCES.

No Party shall be considered to be in default in the performance of its obligations hereunder when a delay in or failure of performance shall be due to an Uncontrollable Force. The term "Uncontrollable Force" shall mean any cause beyond the reasonable control of the Party affected, which by exercise of due diligence such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to overcome, including but not restricted to failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, shortage of labor, fuel, transportation, or material, sabotage, regulation or restriction imposed by governmental or lawfully established authority, or restraint by court order or public authority. Nothing contained herein shall be construed to require a Party to settle any strike or labor dispute in which it may be involved. Any Party that fails to fulfill any of its obligations hereunder by reason of an Uncontrollable Force shall give prompt notice, followed by written notice of such fact to the other Party and an estimate, if possible, of when the Party claiming the Uncontrollable Force believes in good faith that the Uncontrollable Force will end and that performance will resume. The Party claiming the Uncontrollable Force shall exercise due diligence to resume the performance of such obligation(s) with all reasonable dispatch.



19. BINDING ON SUCCESSORS AND ASSIGNS.

It is intended that all of the provisions of this Agreement shall inure to the benefit of and shall be binding upon the Parties hereto, their legal representatives, successors, and assigns. Neither Party shall transfer or assign all or any portion of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

20. TIME OF THE ESSENCE.

Time is of the essence with respect to the performance of all terms, covenants, conditions, and provisions of this Agreement. If the date or deadline for any notice, act, or event required or contemplated by the terms of this Agreement falls on a Saturday, Sunday, or legal holiday, such date or deadline shall continue over to the next following day that is not a Saturday, Sunday, or legal holiday.

21. COOPERATION.

The parties hereto shall execute, acknowledge, and deliver such other instruments and documents as may be necessary or appropriate to carry out the full intent and purpose of this Agreement.

22. ARIZONA LAW GOVERNS.

This Agreement and the rights of the parties hereto shall be interpreted, governed, and construed in accordance with the laws of the State of Arizona.

23. WAIVER.

Either of the parties shall have the right to excuse or waive performance by the other party of any obligation under this Agreement by a writing signed by the Party so excusing or waiving. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by either Party of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

24. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

25. TERM.

This Agreement shall continue and remain in effect in perpetuity, unless and until it is modified or terminated by mutual written agreement of the Parties.



26. INTERPRETATION.

This Agreement is the result of negotiations between the Parties and, accordingly, shall not be construed for or against any Party regardless of which entity drafted this Agreement or any portion thereof.

27. CONFLICT OF INTEREST.

Notice is hereby given of the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, the City of Safford and Graham County Electric Cooperative, Inc. have caused this Territorial Settlement Agreement to be executed, attested, and delivered by their respective duly authorized executives.

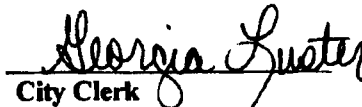
CITY OF SAFFORD

By: 

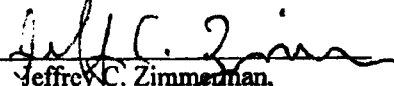
Date: 12/19/08

Name: RONALD M. GREEN

Title: MAYOR

ATTEST By: 
City Clerk

APPROVED AS TO FORM:

By: 
Jeffrey C. Zimmerman,
Moyes, Sellers & Sims,
Special Outside Counsel

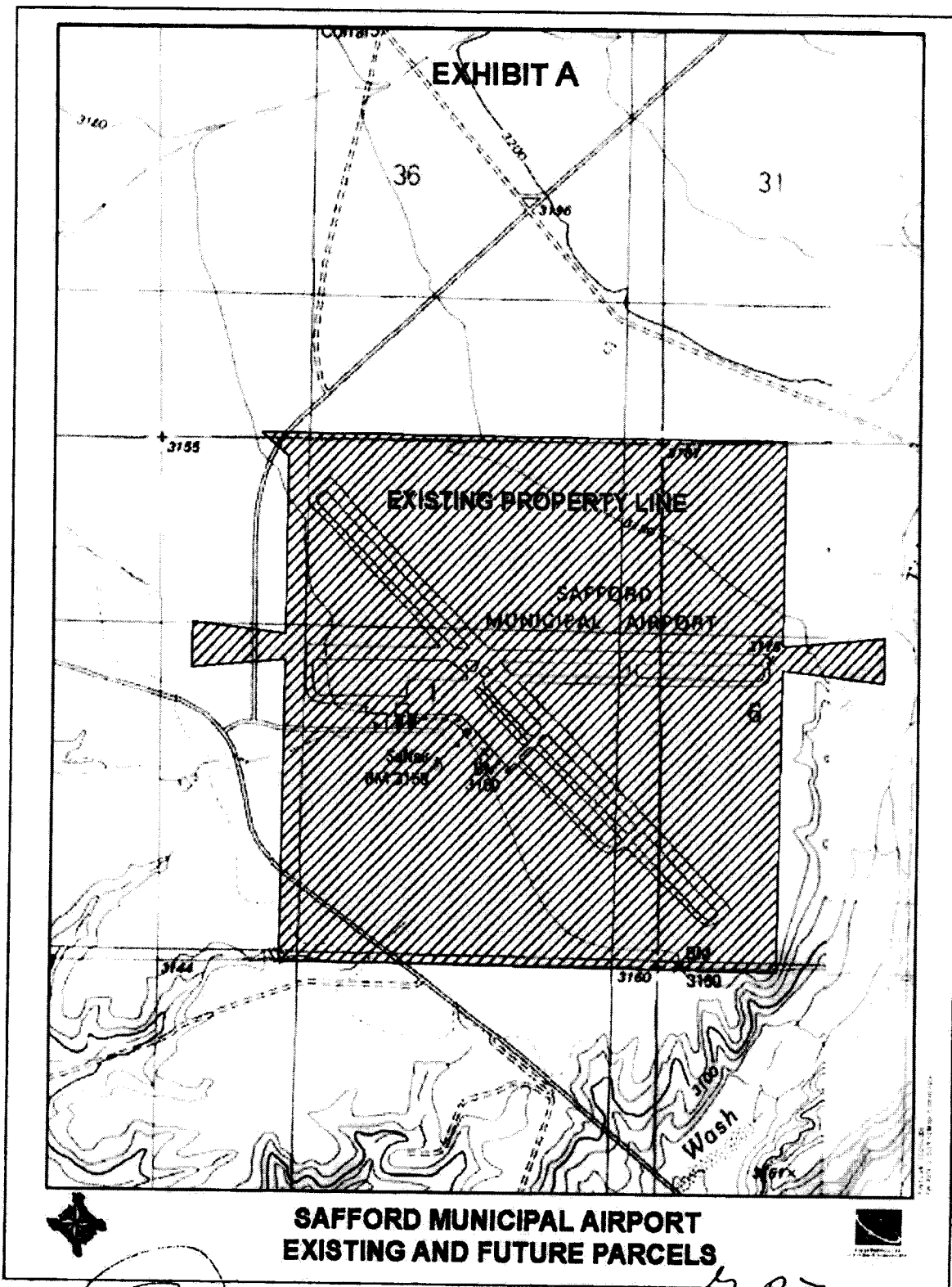
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.

By:  Date: 12-18-08

Name: GENE ROBERT LARSON

Title: BOARD PRESIDENT

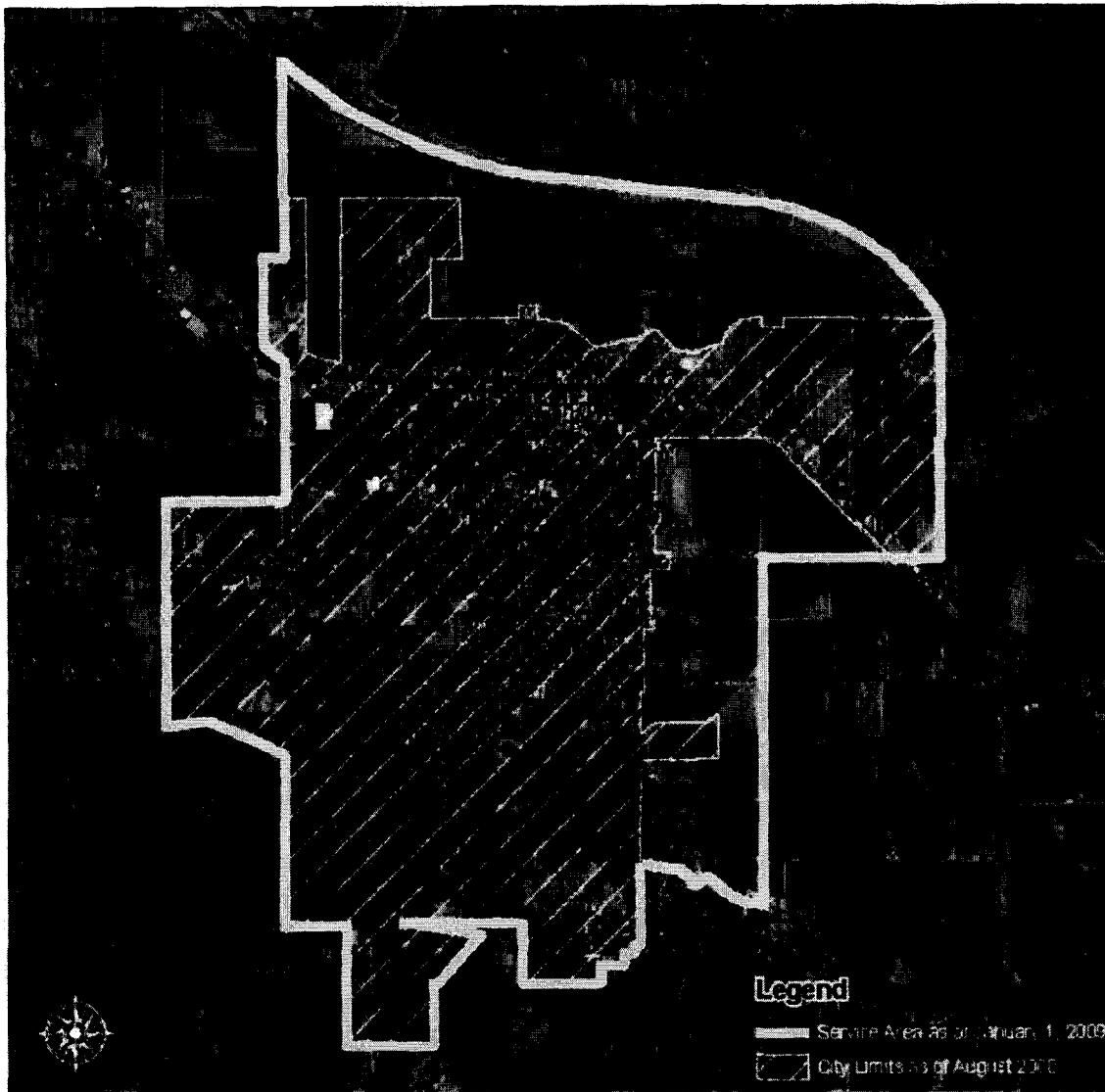
ATTEST By: 



DMY

GRZ

**EXHIBIT B
SAFFORD SERVICE AREA**



Using a starting point at Hwy 191 and the north bank of High Line Canal at existing Safford City Limits, going east along the north bank of the Highline Canal to the west side of Welker Lane, going north on the west side of Welker Lane to 20th street, then continuing north across 20th street along the west bank of Graveyard Wash to Union Canal. Then going east along the north bank of the Union Canal intersecting the existing Safford City limits at the point where the Union Canal and Hwy 70 intersect. Continuing east and then north following the existing Safford City Limits to the northeast corner of the existing Safford City Limits; turning northwest following the center of the Gila River bottom to the intersection of the center of the Gila River bottom and the west boundary of Township 7 South and Range 26 East. Then going south along the west boundary of Township 7 South and Range 26 East to the northwest corner of the existing Safford City limits, then following the existing Safford City Limits south then east then north ending back at the intersection of Hwy 191 and the north bank of the Highline Canal "starting point". Note all references to the "existing Safford City Limits" on this Exhibit are the official Safford City Limits as of August 2008.

[Handwritten signature]

GRZ

EXHIBIT KG-2

Graham County Electric Cooperative, Inc.
City of Safford Final Transfer Facilities
Replacement Cost Less Depreciation

Description	Unit Assembly	Number of Units in Transfer	Replacement Cost	Extended Replacement Cost	Accumulated Depreciation	Replacement Cost Less Depreciation
30' Pole	30/6	191	205.00	39,155.00	19,199.35	19,955.65
35' Pole	30/5	107	310.00	33,170.00	16,264.65	16,905.35
40' Pole	40/5	194	492.00	95,448.00	46,802.18	48,645.82
45' Pole	45/5	30	720.00	21,600.00	10,591.39	11,008.61
55' Pole	55/5	1	940.00	940.00	460.92	479.08
SP Pole Assembly	SP	87	15.00	1,305.00	639.90	665.10
SLP Pole Assembly	SLP	139	20.00	2,780.00	1,363.15	1,416.85
OHG Pole Assembly	OHGPOLE	4	25.00	100.00	49.03	50.97
A1 Pole Assembly	A1	32	22.00	704.00	345.20	358.80
A1-1 Pole Assembly	A1-1	3	25.00	75.00	36.78	38.22
A2 Pole Assembly	A2	1	26.00	26.00	12.75	13.25
A3 Pole Assembly	A3	1	45.00	45.00	22.07	22.93
A4 Pole Assembly	A4	9	78.00	702.00	344.22	357.78
A5 Pole Assembly	A5	25	42.00	1,050.00	514.86	535.14
A5-1 Pole Assembly	A5-1	9	34.00	306.00	150.04	155.96
A5-2 Pole Assembly	A5-2	8	37.00	296.00	145.14	150.86
A6 Pole Assembly	A6	15	44.00	660.00	323.63	336.37
A7 Pole Assembly	A7	3	105.00	315.00	154.46	160.54
B1 Pole Assembly	B1	8	60.00	480.00	235.36	244.64
B7 Pole Assembly	B7	7	106.00	742.00	363.83	378.17
B8 Pole Assembly	B8	2	133.00	266.00	130.43	135.57
C1 Pole Assembly	C1	69	75.00	5,175.00	2,537.52	2,637.48
C1-2 Pole Assembly	C1-2	32	145.00	4,640.00	2,275.19	2,364.81
C2 Pole Assembly	C2	6	190.00	1,140.00	558.99	581.01
C7 Pole Assembly	C7	67	205.00	13,735.00	6,734.85	7,000.15
C7A Pole Assembly	C7A	9	250.00	2,250.00	1,103.27	1,146.73
C7-1 Pole Assembly	C7-1	6	245.00	1,470.00	720.80	749.20
C8 Pole Assembly	C8	16	425.00	6,800.00	3,334.33	3,465.67
C8-1 Pole Assembly	C8-1	2	415.00	830.00	406.98	423.02
C8-3 Pole Assembly	C8-3	7	505.00	3,535.00	1,733.36	1,801.64
C9 Pole Assembly	C9	1	315.00	315.00	154.46	160.54
C9-1 Pole Assembly	C9-1	9	175.00	1,575.00	772.29	802.71
C9-3 Pole Assembly	C9-3	3	180.00	540.00	264.78	275.22
Single Phase Meters		660	32.00	21,120.00	10,356.03	10,763.97
Three Phase Meters		71	180.00	12,780.00	6,266.57	6,513.43
5KVA Single Phase Xfmr-Pole Mount	OH 1PH 5KVA	6	500.00	3,000.00	1,471.03	1,528.97
7.5KVA Single Phase Xfmr-Pole Mount	OH 1PH 7.5KVA	1	650.00	650.00	318.72	331.28
10KVA Single Phase Xfmr-Pole Mount	OH 1PH 10KVA	23	850.00	19,550.00	9,586.19	9,963.81
15KVA Single Phase Xfmr-Pole Mount	OH 1PH 15KVA	26	950.00	24,700.00	12,111.45	12,588.55
25KVA Single Phase Xfmr-Pole Mount	OH 1PH 25KVA	45	1,190.00	53,550.00	26,257.82	27,292.18
37.5KVA Single Phase Xfmr-Pole Mount	OH 1PH 37.5KVA	3	1,500.00	4,500.00	2,206.54	2,293.46
50KVA Single Phase Xfmr-Pole Mount	OH 1PH 50KVA	5	1,800.00	9,000.00	4,413.08	4,586.92
100KVA Single Phase Xfmr-Pole Mount	OH 1PH 100KVA	1	3,000.00	3,000.00	1,471.03	1,528.97
5KVA Double Bushing Xfmr-Pole Mount	OH VPH 5KVA	1	350.00	350.00	171.62	178.38
10KVA Double Bushing Xfmr-Pole Mount	OH VPH 10KVA	1	650.00	650.00	318.72	331.28
15KVA Double Bushing Xfmr-Pole Mount	OH VPH 15KVA	3	750.00	2,250.00	1,103.27	1,146.73
25KVA Double Bushing Xfmr-Pole Mount	OH VPH 25KVA	3	950.00	2,850.00	1,397.48	1,452.52
37.5KVA Double Bushing Xfmr-Pole Mount	OH VPH 37.5KVA	2	1,250.00	2,500.00	1,225.86	1,274.14
5KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 5KVA	9	350.00	3,150.00	1,544.58	1,605.42
7.5KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 7.5KVA	3	450.00	1,350.00	661.96	688.04
10KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 10KVA	34	650.00	22,100.00	10,836.56	11,263.44
15KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 15KVA	20	850.00	17,000.00	8,335.82	8,664.18
25KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 25KVA	21	920.00	19,320.00	9,473.41	9,846.59
37.5KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 37.5KVA	8	1,200.00	9,600.00	4,707.29	4,892.71
50KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 50KVA	12	1,650.00	19,800.00	9,708.78	10,091.22
100KVA Double Bushing 3PH Xfmr-Pole Mount	OH 3PH 100KVA	1	2,800.00	2,800.00	1,372.96	1,427.04

Description	Unit Assembly	Number of Units in Transfer	Replacement Cost	Extended Replacement Cost	Accumulated Depreciation	Replacement Cost Less Depreciation
45KVA 3PH URD Xfmr-Padmount	URD 3PH 45KVA	3	7,050.00	21,150.00	10,370.74	10,779.26
75KVA 3PH URD Xfmr-Padmount	URD 3PH 75KVA	1	7,450.00	7,450.00	3,653.05	3,796.95
112.5KVA 3PH URD Xfmr-Padmount	URD 3PH 112.5KVA	2	7,950.00	15,900.00	7,796.44	8,103.56
150KVA 3PH URD Xfmr-Padmount	URD 3PH 150KVA	2	8,500.00	17,000.00	8,335.82	8,664.18
300KVA 3PH URD Xfmr-Padmount	URD 3PH 300KVA	1	9,400.00	9,400.00	4,609.22	4,790.78
500KVA 3PH URD Xfmr-Padmount	URD 3PH 500KVA	4	13,250.00	53,000.00	25,988.14	27,011.86
750KVA 3PH URD Xfmr-Padmount	URD 3PH 750KVA	1	18,000.00	18,000.00	8,826.16	9,173.84
25KVA 1PH URD Xfmr-Padmount	URD 1PH 25KVA	4	1,600.00	6,400.00	3,138.19	3,261.81
37.5KVA 1PH URD Xfmr-Padmount	URD 1PH 37.5KVA	4	1,850.00	7,400.00	3,628.53	3,771.47
50KVA 1PH URD Xfmr-Padmount	URD 1PH 50KVA	55	2,300.00	126,500.00	62,028.29	64,471.71
75KVA 1PH URD Xfmr-Padmount	URD 1PH 75KVA	37	2,700.00	99,900.00	48,985.18	50,914.82
Primary Switching Cabinet-1PH	PRI SWCB 1PH	6	400.00	2,400.00	1,176.82	1,223.18
Primary Switching Cabinet-3PH	PRI SWCB 3PH	22	850.00	18,700.00	9,169.40	9,530.60
Secondary Tub	SEC PED	173	180.00	31,140.00	15,269.26	15,870.74
Guy/Anchor		112	139.00	15,568.00	7,633.65	7,934.35
Regulators		3	9,000.00	27,000.00	13,239.24	13,760.76
Capacitors		3	500.00	1,500.00	735.51	764.49
Overhead Guy Wire	OHG-WIRE	460	0.45	207.00	101.50	105.50
1/0 Quad Plex	1/0-QP	595	1.70	1,011.50	495.98	515.52
1/0 Tri Plex	1/0-TP	10,490	0.91	9,545.90	4,680.76	4,865.14
#2 Quad Plex	2-QP	2,042	1.05	2,144.10	1,051.34	1,092.76
#2 Tri Plex	2-TP	11,930	0.80	9,544.00	4,679.83	4,864.17
3 Phase #2 ACSR	3PH-2-ACSR	31,000	0.24	7,440.00	3,648.15	3,791.85
3 Phase #2 Stranded Copper	3PH-2-STR-CU	7,520	1.06	7,971.20	3,908.62	4,062.58
3 Phase 4-0 ACSR	3PH-4/0	36,160	0.52	18,803.20	9,220.00	9,583.20
3 Phase #4 ACSR	3PH-4-ACSR	31,800	0.18	5,724.00	2,806.72	2,917.28
3 Phase #4 Stranded Copper	3PH-4-STR-CU	10,560	0.70	7,392.00	3,624.61	3,767.39
3 Phase #6 Solid Copper	3PH-6-SOL-CU	27,120	0.40	10,848.00	5,319.23	5,528.77
4/0 Quad Plex	4/0-QP	433	2.85	1,234.05	605.11	628.94
4/0 Tri Plex	4/0-TP	345	2.05	707.25	346.79	360.46
#4 ACSR	4-ACSR	19,720	0.18	3,549.60	1,740.52	1,809.08
#4 Duplex	4-DP	1,472	0.34	500.48	245.41	255.07
#4 Quad Plex	4-QP	391	0.82	320.62	157.21	163.41
#4 Stranded Copper	4-STR-CU	864	0.70	604.80	296.56	308.24
#4 Tri Plex	4-TP	1,670	0.55	918.50	450.38	468.12
#6 Solid Copper	6-SOL-CU	9,742	0.40	3,896.80	1,910.77	1,986.03
V Phase #6 Solid Copper	VPH-6-SOL-CU	6,858	0.40	2,743.20	1,345.11	1,398.09
1/0 Okinite	1/0-URD	20,012	2.70	54,032.40	26,494.37	27,538.03
1/0 Quad Plex Underground	1/0-QP-URD	601	1.71	1,027.71	503.93	523.78
1/0 Tri Plex Underground	1/0-TP-URD	920	0.94	864.80	424.05	440.75
2/0 Stranded Copper Underground	2/0-STR-CU-STR	176	2.09	367.84	180.37	187.47
#2 Primary Underground	2-PRI-URD	2,225	1.90	4,227.50	2,072.92	2,154.58
350 Quad Plex Underground	350-QP-URD	82	3.05	250.10	122.63	127.47
350 Tri Plex Underground	350-TP-URD	16,654	2.58	42,967.32	21,068.69	21,898.63
3 Phase 1/0 Okinite	3PH-1/0-URD	15,330	2.70	41,391.00	20,295.75	21,095.25
3 Phase #2 Primary Underground	3PH-2-PRI-URD	675	1.90	1,282.50	628.86	653.64
3 Phase 4/0 Okinite	3PH-4/0-URD	6,135	3.50	21,472.50	10,528.87	10,943.63
4/0 Quad Plex Underground	4/0-QP-URD	165	2.91	480.15	235.44	244.71
4/0 Tri Plex Underground	4/0-TP-URD	6,487	1.65	10,703.55	5,248.40	5,455.15
3 Phase 500 MCM Okinite	3PH-500-URD	3,555	5.00	17,775.00	8,715.83	9,059.17
4/0 Quad Plex Underground	4/0-QP-URD	215	2.91	625.65	306.78	318.87
4/0 Tri Plex Underground	4/0-TP-URD	8,590	1.65	14,173.50	6,949.87	7,223.63
3 Phase 500 MCM Okinite	3PH-500-URD	3,555	5.00	17,775.00	8,715.83	9,059.17
Total Facilities				1,300,670.72	637,773.73	662,896.99

EXHIBIT KG-3

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.

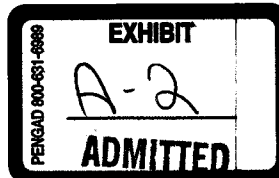
WORK ORDERS CLOSED

ACCOUNT 1107.2

January 1, 2009 to August 31, 2015

WORK NUMBER	CUSTOMER NAME	CASH				
		<u>RECEIVED</u>	<u>MATERIALS</u>	<u>LABOR</u>	<u>OVERHEAD</u>	<u>TOTAL</u>
	Totals	(23,111.82)	6,257.38	8,274.85	33,109.00	24,529.41
91008	Providence Dev Inc (Copper Canyon)	(179.93)	68.04	108.04	306.69	302.84
91009	Providence Dev Inc (Copper Canyon)	(181.91)	69.99	108.04	307.45	303.57
91011	Providence Dev Inc (Copper Canyon)	(199.71)	87.48	108.04	314.20	310.01
91013	Rick Qwest	(309.25)	64.97	64.56	212.95	33.23
91014	Justin NAPA (Mack's Auto) Rental Building	(5,016.34)	1,353.64	811.55	2,930.82	79.67
91030	Copper Canyon #44	(176.31)	30.86	149.28	399.57	403.40
91038	Prov Dev Inc #250	(598.56)	54.00	129.45	646.53	231.42
91066	Crandall Aaron	(355.20)	83.21	179.01	553.66	460.68
91120	C J Angle	(414.17)	152.33	195.59	654.37	588.12
91121	C J Angle	(302.36)	83.21	212.24	741.58	734.67
101036	Providence Dev Inc	(221.15)	63.21	55.78	236.67	134.51
101037	Providence Dev Inc	(191.48)	49.17	55.78	230.05	143.52
101038	Providence Dev Inc	(191.48)	49.17	55.78	230.05	143.52
101041	Elko Wire	(1,222.99)	585.80	407.51	1,788.33	1,558.65
101054	Prov Dev Inc #53	(215.87)	55.04	105.78	463.56	408.51
101055	Prov Dev Inc #144	(215.87)	55.04	121.16	528.45	488.78
101056	Prov Dev Inc #146	(215.87)	55.04	121.16	528.45	488.78
101060	C J Angle Const	(375.00)	67.31	178.83	773.82	644.96
101096	Prov Dev Inc #152	(227.57)	60.41	68.82	325.12	226.78
101097	Prov Dev Inc #251	(227.57)	60.41	68.82	325.12	226.78
101101	Copper Canyon #37	(251.31)	45.31	109.21	493.81	397.02
101102	Copper Canyon #210	(217.68)	-	109.17	468.55	360.04
121008	Prov Dev Inc #148	(313.24)	96.10	86.39	404.08	273.33
121009	Prov Dev Inc #147	(313.24)	96.09	86.39	404.07	273.31
121052	Providence Homes	(295.72)	81.65	76.52	290.31	152.76
121053	Providence Homes	(287.80)	72.58	76.52	282.79	144.09
131012	Providence Dev Inc	(295.83)	83.47	58.74	234.78	81.16
131013	Providence Dev Inc	(287.92)	76.21	58.74	232.55	79.58
131014	Providence Dev Inc	(299.79)	81.65	58.74	234.22	74.82
131015	Providence Dev Inc	(287.92)	76.21	107.42	407.75	303.46
131016	Providence Dev Inc	(280.01)	68.95	107.42	405.51	301.87
131108	Providence Dev Inc #240	(237.87)	82.21	59.62	321.53	225.49
131109	Providence Dev Inc #9	(237.87)	52.32	59.62	301.72	175.79
131110	Providence Dev Inc #6	(237.87)	52.32	59.62	301.72	175.79
131111	Providence Dev Inc #143	(237.87)	52.32	59.62	301.72	175.79
131112	Providence Dev Inc #141	(237.87)	52.52	95.25	434.55	344.45
131113	Providence Dev Inc #142	(237.88)	52.52	95.25	434.55	344.44
131114	Providence Dev Inc #140	(237.88)	52.52	95.25	434.55	344.44
131115	Providence Dev Inc #46	(237.88)	52.52	95.25	434.55	344.44
131116	Providence Dev Inc #45	(237.88)	67.52	35.99	199.97	65.60
141022	Providence Dev Inc-Kelson Pl	(273.27)	45.02	142.89	600.49	515.13
141023	Providence Dev Inc-1486 Verado St	(281.18)	55.52	142.80	606.13	523.27
141082	CJ Angle - MV #7	(413.87)	97.53	128.21	610.26	422.13
141091	The River Community Church	(2,343.10)	810.32	1,322.84	5,315.83	5,105.89

141105	Providence Dev Lot #86	(347.81)	41.17	266.44	1,044.60	1,004.40
141106	Providence Dev Lot #110	(357.70)	65.88	266.44	1,061.32	1,035.94
141132	Providence Dev 14-10032	(417.05)	117.88	181.56	691.94	574.33
141133	Providence Dev 14-10133	(381.44)	84.20	302.60	1,094.77	1,100.13
151006	Blue J Storage	(235.16)	51.43	169.76	640.58	626.61
151020	DD Lights - Ellsberry	(315.00)	191.35	61.42	352.74	290.51
151050	Providence Dev 151049	(350.57)	55.51	96.68	388.71	190.33
151049	Providence Dev 151050	(350.57)	55.51	96.68	388.71	190.33
151060	Prov Dev Inc 15-10060	(365.61)	71.37	100.29	396.10	202.15
151061	Prov Dev Inc 15-10061	(369.57)	71.37	100.29	396.10	198.19
151081	Providence Homes #107					
151082	Providence Homes #162					
151083	Providence Homes #163					
151084	Providence Homes #164					
151093	Providence Homes #168					
151094	Providence Homes #275					
151097	Vandewater					



1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 SUSAN BITTER SMITH, Chairman
4 BOB STUMP
5 BOB BURNS
6 DOUG LITTLE
7 TOM FORESE

8 IN THE MATTER OF THE APPLICATION OF
9 GRAHAM COUNTY ELECTRIC COOPERATIVE,
10 INC. TO AMEND ITS CERTIFICATE OF
11 CONVENIENCE AND NECESSITY AND TO
12 TRANSFER CERTAIN OF ITS ASSETS TO THE
13 CITY OF SAFFORD

Docket No. E-01749A-09-0185

14 **Response Testimony of Kirk Gray**

15 **on Behalf of**

16 **Graham County Electric Cooperative, Inc.**

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20 **November 12, 2015**
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1 **INTRODUCTION**

2 **Q. Mr. Gray, are you the same Kirk Gray who sponsored direct testimony in this**
3 **docket for Graham County Electric Cooperative, Inc. ("GCEC" or the**
4 **"Cooperative")?**

5 **A. Yes, I am.**
6

7 **Q. Have you reviewed the Staff Report filed in this docket on November 6, 2015?**

8 **A. Yes, I have. GCEC appreciates Staff's thorough review and analysis of the**
9 **Cooperative's Application and approval recommendation. My testimony below responds**
10 **to a few issues raised in the Staff Report.**
11

12 **CUSTOMER NOTICE**

13 **Q. The Staff Report notes that GCEC is obligated to confirm that notice was provided**
14 **as required by the October 21, 2015 Procedural Order. Has the Cooperative**
15 **complied with the notice requirement?**

16 **A. Yes, we have. On November 6, 2015, GCEC filed with Docket Control a Declaration of**
17 **Mailing and an Affidavit of Publication. The Declaration confirmed the Cooperative's**
18 **mailing of the legal notice to customers in the Safford Service Area ("SSA") on October 30,**
19 **2015.¹ The Affidavit confirmed publication of the legal notice in the *Eastern Arizona***
20 ***Courier*, a newspaper of general circulation in Safford, on October 31, 2015. In the mailing**
21 **to its SSA customers, GCEC also included a separate notice providing some additional**

22 ¹ The Staff Report also refers to notice to owners of large, undeveloped parcels of land located within the SSA. The
23 requirement to provide such notice was included in a prior procedural order, dated August 31, 2009. The October
24 21, 2015 Procedural Order – related to GCEC's currently-pending Application – does not include that requirement.

1 detail regarding how the transfer to Safford will be accomplished. Finally, per the
2 Procedural Order, the Cooperative has posted the legal notice on its website at
3 <http://www.azgcec.coop/>.

4
5 **STAFF RECOMMENDATIONS**

6 **Q. The Staff Report includes six recommendations. Does GCEC have any response to**
7 **Staff's recommendations?**

8 A. Yes. GCEC agrees with Staff's recommendations, with minor clarifications to the fourth
9 and sixth recommendations.

10
11 **Q. What clarification does GCEC have to Staff's fourth recommendation?**

12 A. The recommendation proposes that the Cooperative supplement the record with
13 documentation showing the final purchase price, an updated list of affected customers, and
14 an updated list of the facilities within the SSA to be transferred to Safford. Staff proposes
15 that GCEC file this documentation within seven days after the hearing in this Docket, which
16 is scheduled for November 16, 2015. GCEC is willing to supplement the record with the
17 requested information, but wants to clarify that the purchase price and lists that would be
18 filed within the proposed deadline will not necessarily provide the "final" purchase price or
19 a "final" list of customer locations or facilities to be transferred. This is because the Final
20 Transfer is not scheduled to occur until January 4, 2016 and, as described in my direct
21 testimony, additional customers and facilities may be added between the date of the hearing
22 and the date of transfer. For this reason, GCEC has requested that the Commission's Order

1 include authorization to transfer to Safford the facilities identified on the lists as well as any
2 facilities that GCEC may construct within the SSA prior to the Final Transfer.

3
4 **Q. And what about Staff's sixth recommendation?**

5 A. Staff's sixth recommendation proposes that GCEC file all pertinent documents evidencing
6 the consummation of the transaction no later than 30 days after the effective date of the
7 transaction. The Cooperative does not object to confirming the consummation of the
8 transaction, but proposes that the filing be limited to a bill of sale or similar document
9 confirming receipt of final payment along with the final list of the facilities within the SSA
10 transferred to Safford. GCEC believes that this documentation will provide sufficient
11 evidence and a clear record of the consummation of the transaction.

12
13 **Q. Does this conclude your response testimony?**

14 A. Yes, it does.
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ADMITTED

CUST # NAME	RATE SCH	METER #	SERVICE LOCATION	RATE SCHEDULE DESCRIPTIONS
117464 CITY OF SAFFORD	B4	1H4659	TRAFFIC LIGHT @ 8TH & 20TH	A1 Residential - County
998776 ARIZONA EASTERN RAILWAY CO	B4	E51817	W 8TH & 20TH AVE	A4 Residential - Safford
103594 BARNET/DULANEY EYE CENTER	B4	CE63W193	825 20TH AVE	B1 Small Commercial - County
3338 UNION CANAL CO	I4	PE863	BY WHISTLE STOP/20TH	B4 Small Commercial - Safford
11587 SAFFORD UNIFIED SCHOOLS	C4	PE957	SAFFORD/PLAYING FIELDS/20TH AV	B4 Large Commercial - Safford
117270 WAL MART STORES INC#1149.0	B4	CE4W241	NEW SUPERCENTER	CG4 Solar Meter - Safford
109246 TACO TASTE	B4	4WE240	1827 THATCHER BLVD	I1 Irrigation - County
118181 WARD, KENNETH D	B4	4WE274	1825 W THATCHER BLVD ICE KING	I4 Irrigation - Safford
118182 WARD, KENNETH D	B4	4WE293	1825 W THATCHER BLVD ICE KING	LC1 Gln - Safford
3188 F D N INC	B4	CE4W244	KENTUCKY FRIED CHICKEN	
109143 CENTRAL DENTISTRY	B4	4WE234	1807 THATCHER BLVD	
3183 MOELLER, LARRY D	B4	4WE295	BEHIND KFC	
3184 MOELLER, LARRY D	B4	4WE286	BEHIND KFC	
122841 WARD, KENNETH D	B4	E55055	HOUSE BEHIND DYNASTY TRAVEL	
111942 DYNASTY TRAVEL	B4	CE3W182	1809 THATCHER BLVD	
113331 QC FINANCIAL SERVICES #892	B4	H1418	1805 W THATCHER BLVD	
122453 WARD, KENNETH D	B4	4WE282	1765 W THATCHER BLVD	
118845 REMAX COPPER RIDGE REALTY	B4	E54285	1717 W HWY 70	
116586 GRANT, VAUGHN OR RUTH	B4	E302254	1701 THATCHER BLVD	
106908 HATCH BROTHERS INC	B4	CE4W253	1623 W THATCHER BLVD	
122427 MACKS AUTO SUPPLY LLC	B4	CE4W274	W THATCHER BLVD	
121760 TRAYLOR CONSTRUCTION LLC	B4	E55111	THATCHER BLVD	
106991 AUTOZONE INC #2728	B4	CD13Y275	1523 W THATCHER BLVD	
111984 WATER DEPOT C/O TERRY HINTON	B4	4WE192	1455 W THATCHER BLVD	
121176 WSK MANAGEMENT SYSTEMS	B4	E55017	1491 W THATCHER BLVD	
3141 WSK MANAGEMENT SYSTEMS	B4	LGE026	WSK MANAGEMENT SYST.	
12295 FAMILY HEARING CARE % M LAYTON	B4	E53018	1491 THATCHER BLVD	
121174 WSK MANAGEMENT SYSTEMS	B4	E51239	1491 W THATCHER BLVD STE 108	
122645 SAFFORD SHINING TIMES CARWASH	CG4	SW134W012R	1441 W THATCHER BLVD CARWASH	
101672 SAFFORD SHINING TIMES CARWASH	B4	SW134W001	1441 W THATCHER BLVD CARWASH	
102373 FAMILY CHIROPRACTIC	B4	4WE352	1431 W THATCHER BLVD	
102823 MONTOYA, ROBERT A	A4	E51300	SHOP BEHIND FAMILY CHIROP	
119018 HOWARD, RONALD	A4	E302437	522 S 14TH AVE - SAFFORD	
104348 LANE, ROBERT J	I1	PE147	APROX 1000' W OF PEPSI PLANT	
3151 CURTIS, PHIL	I4	E52857	684 S 14TH AVE/SAFFORD	
3158 CURTIS, PHIL	I4	PE866	CORNER OF 14TH AVE & 8TH ST	
114433 DALEY, STEVE	I1	PE865	N ACROSS FROM SHINING TIMES	
3161 CURTIS, PHIL	I1	PE740	N TOWARDS RIVER BEHIND MOUNT	
115557 BUSHMAN DENTAL CARE	B4	CE63W150	OLD HOOPES FARM NEXT TO COS	
119972 HARALSON TIRE CO INC	B4	E51308	WHERE SADDLEMAN'S STEAKHOUSE	
106096 WESTERN REFINING SOUTHWEST INC	B4	E53907	310 E US HWY 70	
121834 GEOTRANS INC	B4	4WE205	SAFFORD STATION	
121304 HARALSON TIRE CO INC	B4	CE4W226	300 W HWY 70 SAFFORD	
4795 HARALSON TIRE CO INC	B4	CE4W249	NEW SERVICE JUST E/OF EXISTING	
100386 HARALSON TIRE CO INC	B4	CE40177	214 E HWY 70 SAFFORD	
100386 HARALSON TIRE CO INC	B4	E55337	214 E HWY 70 SAFFORD	

102727 BRINKERHOFF CONSTRUCTION	B4	E51948	305 4TH ST
102467 BRINKERHOFF CONSTRUCTION	B4	C6249	NEW AGRICULTURE BLDG
119969 HARALSON TIRE CO INC	B4	EP45	310 E US HWY 70
119970 HARALSON TIRE CO INC	B4	ES3742	310 E US HWY 70
107981 CHILD-PARENT CENTER INC	B4	E302077	SMALL OFFICE
122508 DALEY, STEVE	B4	4WE196	301-A E 4TH ST SAFFORD
111551 DESERT SPRINGS COM FELLOWSHIP	B4	C63W284	IN BACK OF 425 E 4TH STREET
110968 DESERT SPRINGS COM FELLOWSHIP	B4	CE4W210	425 E 4TH ST SAFFORD
102886 SAFFORD BOWL	B4	CE4W281	410 E 4TH ST
112006 PRINA, TED	I1	PE835	BEHIND BOWLING ALLEY BY
13861 KRIEG, DEAN G	B4	E55043	440 E 4TH ST SAFFORD
108622 KRIEG, DEAN G	B4	E51821	440 E 4TH ST SAFFORD
122568 BARTHOLOMEW, RICHARD	B4	E51921	440 E 4TH ST SAFFORD
122413 FOSTER, STEFFANI A	A1	E5826	510 E 4TH ST-BY BOWLING ALLEY
121462 HARALSON TIRE CO INCE	A4	E53623	500 E 4TH ST
103637 RAMADA INN	B4	CE4W107	RAMADA INN
108848 KRIEG, DEAN G	B4	4WE242	SWINGS & THINGS
117833 VICTORY FELLOWSHIP	B4	CE4W220	555 ENTERTAINMENT AVE THEATER
105645 KRIEG, DEAN G	B4	CE4W105	DAYS INN-NEWEST METER
121528 KRIEG, DEAN G	B4	CE4W267	NEW MOTEL BEHIND DAYS INN
106648 KRIEG, DEAN G	B4	E56466	SIGN ON E HWY 70
106983 KRIEG, DEAN G	I4	4WE239	PUMP EAST OF METAL BLD.
120805 AIRGAS WEST INC	B4	E54807	710 E HWY 70 AIRGAS
106740 MONTIERTH, NEAL	B4	E54824	704 E HWY 70 NEXT TO RV CTR
4760 COUNTRYWIDE HOMES LLC	B4	H4891	870 E HWY 70-TRAILER SALES
11700 SUNRISE VILLAGE	B4	PE1006	SUNRISE VILLAGE
11701 SUNRISE VILLAGE	B4	E9930	SUNRISE VILLAGE
4813 OGAS, TOMASA	A4	E5924	820 HOLLYWOOD RD
122152 CLARK, SANDRA	A4	H1688	964 E HOLLYWOOD RD
113283 JONES, NANCY	A4	E59443	1207 HOLLYWOOD RD
113294 JONES, NANCY	A4	E55466	1207 E HOLLYWOOD RD (SHOP)
4818 FRANKLIN, MIKE T	A4	E30354	1069 E HOLLYWOOD RD
4817 OAKS, HELEN W	A4	E51211	1035 E HOLLYWOOD RD
4811 WALDRON, ALBERT	A4	E52227	961 E HOLLYWOOD RD
4808 PEREZ, MANUEL	A4	H2075	HOLLYWOOD RD ACROSS FROM
4807 PEREZ, MANUEL	A4	E51870	HOLLYWOOD RD
115868 BULK TRANSPORTATION INC	B4	4WE339	953 E HWY 70
115703 BULK TRANSPORTATION INC	B4	P43028	958 E HWY 70
115702 BULK TRANSPORTATION INC	B4	E52948	962 E HWY 70 SAFFORD
11404 SUNRISE VILLAGE	B4	H1860	CARWASH
115423 APPLEBEE SR, DAVID A	A4	H1728	SUNRISE VILLAGE #159
122574 JONES, STACEY	A4	E54968	SUNRISE VILLAGE #158
118865 LEYVA, TED	A4	H4812	SUNRISE VILLAGE #157
99936 WINDSOR, LESUE	A4	E51871	SUNRISE VILLAGE #156
120856 FASOL, BRIAN	A4	H1859	SUNRISE VILLAGE #155
118002 SALAZAR, JAIME L	A4	H1478	SUNRISE VILLAGE #164
112427 KERBY, DARVIN J	A4	H1442	SUNRISE VILLAGE #153
107987 ARAGON, MICHAEL	A4	E52059	SUNRISE VILLAGE #152
100963 MENDOZA, MARGARET C	A4	E51280	SUNRISE VILLAGE #151
111134 BARNES, MELANIE	A4	E54754	SUNRISE VILLAGE #150

113803 BEAUCHAMP, NORA M	A4	E53800	SUNRISE VILLAGE #39
121800 LOPEZ, MICHAEL B	A4	E55108	SUNRISE VILLAGE #38
114038 ARMIJO, TONI	A4	H808	SUNRISE VILLAGE #37
117483 BANDA, ISABEL T	A4	H1918	SUNRISE VILLAGE #50
117645 GANN, BRANDON	A4	H531	SUNRISE VILLAGE #35
121188 GARCIA, NATALIA C	A4	E51143	SUNRISE VILLAGE #33
115105 ROBERTSON, TAMMY	A4	E53289	SUNRISE VILLAGE #36
121910 JOHNSON, PERRY	A4	H1417	SUNRISE VILLAGE #32
117031 KELLER, CHRISTOPHER & PAULA	A4	H1921	SUNRISE VILLAGE #31
113541 CRISCI, DELLA RAE	A4	E54362	SUNRISE VILLAGE #34
122678 DOMINGUEZ, GLORIA	A4	E53597	SUNRISE VILLAGE #30
122213 SILVA, SHARON	A4	H1635	SUNRISE VILLAGE #28
116660 LATTEI, ANGELA	A4	H1714	SUNRISE VILLAGE #28
11689 LATTEI, ANTHONY T	A4	E53546	SAFFORD/SUNRISE VILLAGE
121347 FAITH LUTHERAN CHURCH	A4	H1727	SUNRISE VILLAGE #26
118986 HALLFORD, MIKE	A4	H5228	SUNRISE VILLAGE #24
116570 BENCOMO, RHONDA	A4	H4718	SUNRISE VILLAGE #23
102321 SUNRISE VILLAGE	B4	E302403	SUNRISE VILLAGE
100899 SUNRISE VILLAGE	B4	E52180	SUNRISE VILLAGE RV
122098 MARTIN, RAYMOND	A4	H1885	SUNRISE VILLAGE #352 RV
122063 PLUMLEE, ZANE	A4	H556	SUNRISE VILLAGE #351
122667 EFROS, MARK	A4	E56428	SUNRISE VILLAGE #351
117178 HOLGUIN, LEANN	A4	E52042	SUNRISE VILLAGE #22
121682 BRENTON, KELLY	A4	H1689	SUNRISE VILLAGE #350 RV
120931 KOGER, GEORGE	A4	E52177	SUNRISE VILLAGE #348
122772 BOETTCHER, LEE	A4	E52177	SUNRISE VILLAGE #348
121537 EASLEY, DOYCE L	A4	E56434	SUNRISE VILLAGE #347
122594 SHELTON, RAYETTA	A4	E54540	SUNRISE VILLAGE #361 RV
122857 STRATTON, JEFFERY D	A4	E54540	SUNRISE VILLAGE #361 RV
120772 DERRYBERRY, JOE	A4	E52186	SUNRISE VILLAGE #346
121148 MATTHEWS, BRANDY S	A4	E52187	SUNRISE VILLAGE #345
117614 KINNEBREW, ROBERT H	A4	H1677	SUNRISE VILLAGE #344
101065 SUNRISE VILLAGE	B4	E52176	SUNRISE VILLAGE RV WEST METER
101064 SUNRISE VILLAGE	B4	E52174	SUNRISE VILLAGE RV MIDDLE METER
101063 SUNRISE VILLAGE	B4	E52182	SUNRISE VILLAGE RV EAST METER
116288 WALDEN, STARR	A4	E52478	SUNRISE VILLAGE #360
121322 RINCON, MIGUEL	A4	E55023	SUNRISE VILLAGE #349
11995 SUNRISE VILLAGE	B4	E53978	SAFFORD/SUNRISE VILLAGE
11996 SUNRISE VILLAGE	B4	E54310	SAFFORD/SUNRISE VILLAGE
107011 SUNRISE VILLAGE	B4	H212	EAST RV METER
107012 SUNRISE VILLAGE	B4	H213	EAST RV METER
117180 PACKER, COLT & SHEILA	A4	E53821	SUNRISE VILLAGE #264
117271 BACA, SAM	A4	E54999	SUNRISE VILLAGE #260
112481 EASLEY, RHONDA	A4	E53821	SUNRISE VILLAGE #212
110426 DESPAIN, LESLIE O	A4	H951	SUNRISE VILLAGE #211
110008 HARRIS, LOU	A4	H1846	SUNRISE VILLAGE #178
119347 SALAS, TOMMY	A4	E53620	SUNRISE VILLAGE #263
105055 RINGLE, DONNA L	A4	E52864	SUNRISE VILLAGE #210
121840 CONTRERAS, LORETTA	A4	E53628	SUNRISE VILLAGE #261
122386 MADDOCK, SEAN M	A4	E53869	SUNRISE VILLAGE #209

114642 NABOR, SHANNON	A4	E53865	SUNRISE VILLAGE #178
120211 COBOS, MAX	A4	E53873	SUNRISE VILLAGE #208
117287 RODRIGUEZ JR, CAMILO	A4	E52820	SUNRISE VILLAGE #207
108643 CONTRERAS, DESIREE	A4	E52844	SUNRISE VILLAGE #180
120830 STREIGHT, CHERYL	A4	E52821	SUNRISE VILLAGE #206
107276 POWELL, KENNETH W	A4	E52849	SUNRISE VILLAGE #182
121074 HUNTSINGER, LEAH	A4	E51889	SUNRISE VILLAGE #184
105558 HANNA, LAURA J	A4	E52877	SUNRISE VILLAGE #202
107413 APODACA, STACEY	A4	H1683	SUNRISE VILLAGE #201
117148 TUTOR, JUSTIN & DONNA	A4	H1577	SUNRISE VILLAGE #200
105868 RUZ, JESUS M	A4	H5127	SUNRISE VILLAGE #199
103629 HARALSON, SUZANNE L	A4	H1684	SUNRISE VILLAGE #198
121587 WOOD, LOUIS L	A4	H1269	SUNRISE VILLAGE #197
117758 HARRINGTON, EUGENE	A4	H4429	SUNRISE VILLAGE #196
117380 HARRIS, DEAN & BEATRICE	A4	E301466	SUNRISE VILLAGE #195
108048 AGUILAR, ROXANNE	A4	H1682	SUNRISE VILLAGE #184
119830 LYBARGER, LINDSEY	A4	E53874	SUNRISE VILLAGE #188
122605 RAMSEY, MICHAEL	A4	E51886	SUNRISE VILLAGE #183
120085 ALLEN, REBECCA J	A4	E53857	SUNRISE VILLAGE #182
121980 LUJAN, LISA	A4	H1449	SUNRISE VILLAGE #180
122142 SEXTON, CHARLES N	A4	E54882	SUNRISE VILLAGE #189
119296 ETTER, STEPHANIE	A4	E52304	SUNRISE VILLAGE #187
120758 BERLANGA, ELVIA	A4	E52841	SUNRISE VILLAGE #186
117891 WARREN, SANDRA	A4	E53384	SUNRISE VILLAGE #185
122705 BURT, JOHN E	A4	E53864	SUNRISE VILLAGE #183
105577 DUTCHER, JOY	A4	E51224	SUNRISE VILLAGE #179
121746 DOMINGUEZ, LISA	A4	E53843	SUNRISE VILLAGE #177
116202 MCCUTCHEON, RANDALL J	A4	E54135	SUNRISE VILLAGE #175
118621 DALE, CHAD E	A4	E53571	SUNRISE VILLAGE #258
107077 SANTOS, ELIZABETH	A4	E53628	SUNRISE VILLAGE #257
108047 ORTEGA, GENEVEIVE	A4	E5472	SUNRISE VILLAGE #255
108473 LOPEZ, CARLOS L	A4	E53625	SUNRISE VILLAGE #254
117089 BURTON, PAMELA J	A4	E53904	SUNRISE VILLAGE #250
103501 PYEATT, STEVEN	A4	E53828	SUNRISE VILLAGE #249
122231 RASSO, CRYSTAL	A4	E54428	SUNRISE VILLAGE #248
122781 HOLDEN, SUSAN K	A4	H1684	SUNRISE VILLAGE #214
122387 BRASSARD, TOM	A4	H1893	SUNRISE VILLAGE #247
120857 CABRERA, YOLANDA	A4	H1893	SUNRISE VILLAGE #246
120034 OLIVAS, RUBEN E	A4	E53844	SUNRISE VILLAGE #245
104912 POWELSON, LARRY G	A4	E61404	SUNRISE VILLAGE #218
112108 PATE, LOUITA R	A4	H627	SUNRISE VILLAGE #244
122843 RAMSEY, MICHAEL	A4	E53839	SUNRISE VILLAGE #242
108463 SANCHEZ, GONZALO	A4	H4468	SUNRISE VILLAGE #248
122335 HOLDEN, SUSAN K	A4	H1387	SUNRISE VILLAGE #222
104447 VIZCAINO, LEHI	A4	E53622	SUNRISE VILLAGE #240
117454 QUINTANA, DANIEL	A4	H1686	SUNRISE VILLAGE #251
118186 MCARDLE, TIMOTHY	A4	H1158	SUNRISE VILLAGE #239
106105 COMER, MARY LOU	A4	H1415	SUNRISE VILLAGE #238
122834 WILCOX, PAULA	A4		
103733 GARCIA, DESEDARIO A	A4		

117582 GARCIA, SHELLY	A4	H1628	SUNRISE VILLAGE #228
118722 BARNETTE, JENNY R	A4	E53087	SUNRISE VILLAGE #236
114077 HENDRICKS, RUSSELL D	A4	E53082	SUNRISE VILLAGE #235
106257 MORENO, MICHAEL A	A4	H5113	SUNRISE VILLAGE #234
103859 DANIEL, SANDRA L	A4	H1791	SUNRISE VILLAGE #229
120598 GREEN, M BERNICE	A4	H2168	SUNRISE VILLAGE #231
106522 QUINTANA, JEFF	A4	H1681	SUNRISE VILLAGE #230
121655 LA RIVIERE, E CHERISE	A4	H1916	SUNRISE VILLAGE #226
122567 WILCOX, PAULA	A4	E53870	SUNRISE VILLAGE #227
122784 DENNIS, ERICA	A4	E53870	SUNRISE VILLAGE #227
118490 HUPP, ANDREA	A4	E53845	SUNRISE VILLAGE #225
113675 SMITH, ERNEST T	A4	E52518	SUNRISE VILLAGE #221
106881 LOPEZ, YVONNE	A4	E53699	SUNRISE VILLAGE #217
122550 VANDERSNICK, KAREN	A4	E54318	SUNRISE VILLAGE #215
122887 MCCULLIN, AUSTIN	A4	E54318	SUNRISE VILLAGE #215
116259 STONE, DANA	A4	H4936	SUNRISE VILLAGE #213
118578 SUNRISE VILLAGE	A4	E3085	SUNRISE VILLAGE #426
110096 TELLEZ, JESSICA	A4	H633	SUNRISE VILLAGE #421
122377 EDEN, JAMIE	A4	E52801	SUNRISE VILLAGE #422
107779 HOWARD, DANIEL & KORI	A4	E54825	SUNRISE VILLAGE #423
120655 NEWTON, KEVIN B	A4	H680	SUNRISE VILLAGE #419
120786 SPRINGFIELD, LARRY	A4	E51916	SUNRISE VILLAGE #424
118578 SUNRISE VILLAGE	A4	E56191	SUNRISE VILLAGE #425
119013 BENCOMO, RICHARD	A4	E51253	SUNRISE VILLAGE #418
110211 SCOTT, MICHELE	A4	H880	SUNRISE VILLAGE #415
118431 SUNRISE VILLAGE	A4	E54087	SUNRISE VILLAGE #432
118854 SUNRISE VILLAGE	A4	H8214	SUNRISE VILLAGE #411
107383 STINSON, VERNON	A4	H269	SUNRISE VILLAGE #443
122054 LEWIS, LISA	A4	H590	SUNRISE VILLAGE #402
120455 SIERRA, BRENDA	A4	E30518	SUNRISE VILLAGE #445
115350 GILLUM, MARCIA & BRANDON	A4	H141	SUNRISE VILLAGE #400
119791 ROSION, FRANK W	A4	E54581	SUNRISE VILLAGE #401
118826 ESPINOZA III, MANUEL	A4	H4538	SUNRISE VILLAGE #403
121841 HADDON, KEVIN	A4	E55074	SUNRISE VILLAGE #427
114155 FASOL, RAMONA	A4	E51834	SUNRISE VILLAGE #442
119025 SLOAN JR, ALEX	A4	E54316	SUNRISE VILLAGE #441
122091 LAMBDIN, MONTY	A4	E54423	SUNRISE VILLAGE #444
122157 CAVAZOS, BLANCA	A4	H1222	SUNRISE VILLAGE #437
122824 CHAVEZ, VICTOR	A4	H1222	SUNRISE VILLAGE #437
118855 SUNRISE VILLAGE	A4	H5215	SUNRISE VILLAGE #412
108475 VIEIRA, JOHN J	A4	H772	SUNRISE VILLAGE #433
118430 SUNRISE VILLAGE	A4	H1017	SUNRISE VILLAGE #431
118429 SUNRISE VILLAGE	A4	H1305	SUNRISE VILLAGE #429
120116 HALL, MARY	A4	H510	SUNRISE VILLAGE #485
122547 JONES, RORY A	A4	H386	SUNRISE VILLAGE #404
118293 SUNRISE VILLAGE	A4	E53692	SUNRISE VILLAGE #468
120852 BLOOM, SUSAN E	A4	H5071	SUNRISE VILLAGE #469
118267 SUNRISE VILLAGE	A4	H786	SUNRISE VILLAGE #470
118268 SUNRISE VILLAGE	A4	H777	SUNRISE VILLAGE #472
118433 SUNRISE VILLAGE	A4	E54086	SUNRISE VILLAGE #435

118289	SUNRISE VILLAGE	A4	H573	SUNRISE VILLAGE #474
118432	SUNRISE VILLAGE	A4	E54090	SUNRISE VILLAGE #438
108209	BRATCHER, STEPHANIE	A4	H458	SUNRISE VILLAGE #484
118853	SUNRISE VILLAGE	A4	H5213	SUNRISE VILLAGE #409
118292	SUNRISE VILLAGE	A4	E53982	SUNRISE VILLAGE #467
118851	SUNRISE VILLAGE	A4	H5211	SUNRISE VILLAGE #407
118859	SUNRISE VILLAGE	A4	H6220	SUNRISE VILLAGE #438
122344	ORNDORFF, RON	A4	H1048	SUNRISE VILLAGE #468
118294	SUNRISE VILLAGE	A4	E54027	SUNRISE VILLAGE #476
118860	SUNRISE VILLAGE	A4	H5219	SUNRISE VILLAGE #440
118730	SUNRISE VILLAGE	A4	E52080	SUNRISE VILLAGE #478
118850	SUNRISE VILLAGE	A4	H5218	SUNRISE VILLAGE #405
118358	SUNRISE VILLAGE	A4	E54026	SUNRISE VILLAGE #459
122356	COVARRUBIAS, CARLOS	A4	H686	SUNRISE VILLAGE #480
118359	SUNRISE VILLAGE	A4	E54025	SUNRISE VILLAGE #487
118733	SUNRISE VILLAGE	A4	E52251	SUNRISE VILLAGE #482
110124	GONZALES, MANUEL T	A4	H1080	SUNRISE VILLAGE #455
122251	BAYLOR, CAROL	A4	H618	SUNRISE VILLAGE #484
122396	AGUIRRE, VINCENT A	A4	H594	SUNRISE VILLAGE #451
122596	JOHNSON, JERRY W	A4	H735	SUNRISE VILLAGE #489
109483	BIGLER, JOANNE	A4	E53805	SUNRISE VILLAGE #448
118444	STRICKLER, ANN	A4	H265	SUNRISE VILLAGE #481
118662	SUNRISE VILLAGE	A4	H5212	SUNRISE VILLAGE #408
109211	AGUIRRE, MARY A	A4	H684	SUNRISE VILLAGE #447
120197	BRYCE, JILLIAN	A4	H1578	SUNRISE VILLAGE #410
121463	DILLMAN, ASHLEY	A4	H419	SUNRISE VILLAGE #488
109082	SCROGGINS, DAVID	A4	H823	SUNRISE VILLAGE #480
119742	TRUJILLO, JULIE	A4	E54889	SUNRISE VILLAGE #450
122652	CONKLE, STEVEN D	A4	H988	SUNRISE VILLAGE #485
117151	JIMENEZ, KRYSTLE	A4	H5216	SUNRISE VILLAGE #414
118856	SUNRISE VILLAGE	A4	LGE208	SUNRISE VILLAGE #481
118732	SUNRISE VILLAGE	A4	E51883	SUNRISE VILLAGE #479
118731	SUNRISE VILLAGE	A4	H5217	SUNRISE VILLAGE #416
118857	SUNRISE VILLAGE	A4	H1014	SUNRISE VILLAGE #458
118389	SUNRISE VILLAGE	A4	LGE236	SUNRISE VILLAGE #486
122262	DIAL, HARLIN	A4	H5092	SUNRISE VILLAGE #461
118392	SUNRISE VILLAGE	A4	H5218	SUNRISE VILLAGE #417
118858	SUNRISE VILLAGE	A4	E301628	SUNRISE VILLAGE #477
116865	WHEADON, TYRONE & REBECCA	A4	H1329	SUNRISE VILLAGE #475
118270	SUNRISE VILLAGE	A4	E54001	SUNRISE VILLAGE #462
116361	SUNRISE VILLAGE	A4	H798	SUNRISE VILLAGE #452
122324	KIMBALL, SHERI	A4	H5093	SUNRISE VILLAGE #463
118360	SUNRISE VILLAGE	A4	PE574	LITTLE HOLLYWOOD RD
100020	ELY, HARVEY E	I1	CE47182	1010 E US HWY 70
105077	WESTERN REFINING WHOLESAL	B4	CEAW202	HWY 70 SAFFORD RSC
108482	RENTAL SERVICE CORPORATION	B4	H598	1122 E HWY 70 SAFFORD
103861	CUNNINGHAM, E C (BUFF)	A4	CEAW273	HWY 70 EOF RSC
122653	COPPER STEER STEAK HOUSE	B4	H4644	1172 E HWY 70
117009	NAPIER, STEVE L	A4	H1708	1206 E HWY 70 OLD BULK PLANT
118226	COPPER STEER STEAK HOUSE	B4		

117502 BERRYHILL, JUSTIN	A4	E53522	1230 E HWY 70
4820 JOES PLUMBING	B1	E302657	1351 E HWY 70
4919 KILLIAN, MRS JOE	A1	H1898	1351 E US HWY 70
114280 MARBLE, DONALD C	A4	SW045	1280 E US HWY 70 NEW HOME
122103 MAUTNER, CORD & DEBRA	A4	E31956	1380 E HWY 70
4825 MARBLE, DONALD C	B4	E53831	1378 E US HWY 70 - STORAGE
118728 SUNRISE VILLAGE	A4	E53267	SUNRISE VILLAGE #453
4928 ELY, HARVEY E	11	PE807	NORTH SIDE OF HWY 70 N OF
119450 GEM DISTRIBUTION SYSTEMS LLC	B1	C134MY36	OLD FLEETWOOD SUPER CENTER
122058 COPPER CANYON	A4	E55208	SPRINKLER SYSTEM BY ENTRANCE
120501 VALLEY TELEPHONE CO-OP INC	B4	E54813	ENTRANCE TO COPPER CANYON
120436 AREOLA, FRANCISO J	A1	H4978	988 CLIFFORD DR
122731 REED, LARISSA AND JAMES	A1	H4755	888 CLIFFORD DR
104876 CLIFFORD, TONY	A4	LG039	1023 S CLIFFORD DR
121223 COPPER CANYON	A4	H716	1272 E HOLLYWOOD RD
117787 GROGAN, CAROLYN	A4	PE1110	HOLLYWOOD RD/CLIFFORD DR PUMP
110788 JOHN, HARVEY J	11	PE877	PUMP GOING E ON HOLLYWOOD RD
113146 KIEFFER, VINCE	11	PE768	HOLLYWOOD RD ON SOUTH SIDE
4832 MONTERTH, NEAL	11	PE449	1ST PUMP E OF 1272 E HLLYWD RD
106458 FALARDO, DANIEL	11	PE449	1ST PUMP E OF 1272 E HLLYWD RD
118275 KIEFFER, VINCE	11	E54920	2ND LIGHT W/OF LOT #45
120965 COPPER CANYON	A4	E55213	1384 COPPER CANYON DR #77
122278 ELSBERRY, TERRY & SUSAN	A4	LGED43	1336 S ROPER LANE #82
121462 SALAZAR, EVA	A4	E54878	1655 E TRILOGY LN #48
121208 FREEPORT-MCMORAN MORENCI	A4	LGED49	1330 S ROPER LANE #83
121320 MYSLINSKI, PAUL	A4	LGED41	1320 S ROPER LANE #84
121340 MANNING, JOHN & JENNIFER	A4	E54756	1337 S ROPER LANE #78
120917 PROVIDENCE DEVELOPMENT INC	A4	E54571	1347 S ROPER LANE #75
120816 PROVIDENCE DEVELOPMENT INC	A4	E53424	1357 S ROPER LANE #74
120915 PROVIDENCE DEVELOPMENT INC	A4	E54359	1357 S ROPER LANE #73
120914 PROVIDENCE DEVELOPMENT INC	A4	E54958	1876 E COPPER CANYON DR #71
120913 PROVIDENCE DEVELOPMENT INC	A4	E54957	1686 E COPPER CANYON DRIVE #70
120912 PROVIDENCE DEVELOPMENT INC	A4	E51203	1350 S GRAHAM LANE #68
120911 PROVIDENCE DEVELOPMENT INC	A4	H1536	1350 S GRAHAM LANE #67
120910 PROVIDENCE DEVELOPMENT INC	A4	E54811	1340 S GRAHAM LANE #66
120909 PROVIDENCE DEVELOPMENT INC	A4	E54865	1330 S GRAHAM LANE #65
120908 PROVIDENCE DEVELOPMENT INC	A4	E54972	1687 E KELSON PLACE #63
120807 PROVIDENCE DEVELOPMENT INC	A4	E54868	1677 E KELSON PLACE #62
121339 CARLING, BRANDON & CHRISTINA	A4	LGED39	1377 S KUHN COURT #65
120806 PROVIDENCE DEVELOPMENT INC	A4	E51242	1359 KUHN COURT #69
122472 RODRIGUEZ, MICHAEL & JESSICA	A4	H506	1369 S KUHN COURT
121556 CORDOVA, MICHAEL	A4	E55034	1354 S KUHN COURT #81
121567 MONTONA, SAMUEL	A4	LGED52	1332 S KUHN COURT
121416 BRINKERHOFF, TAZ	A4	LGED60	1318 S KUHN COURT #93
121247 PROVIDENCE DEVELOPMENT INC	A4	E52171	1520 E STRATFORD DRIVE #234
121222 FREEPORT-MCMORAN MORENCI	A4	E54946	1498 E LAS SENDAS DRIVE #117
121221 FREEPORT-MCMORAN MORENCI	A4	E54832	1504 E LAS SENDAS DRIVE #116
121220 FREEPORT-MCMORAN MORENCI	A4	E54931	1524 E LAS SENDAS DRIVE #115
121219 FREEPORT-MCMORAN MORENCI	A4	E54901	1526 E LAS SENDAS DRIVE #114

121217 FREEPORT-MCMORAN MORENCI	AA	ES4912	1534 E LAS SENDAS DRIVE #113
121218 FREEPORT-MCMORAN MORENCI	AA	ES4989	1646 E LAS SENDAS DRIVE #112
122288 CUTHERBERTSON, JOYCE	AA	ES6216	1685 LAS SENDAS DRIVE #109
120882 PROVIDENCE DEVELOPMENT INC	AA	ES5049	1635 E LAS SENDAS DRIVE #104
121782 PATTON, JOSH	AA	LG2280	1255 S KELSON PLACE #103
120711 CABLE ONE	AA	ES4802	1630 S KELSON PLACE
121856 LUSK, CASEY T	AA	ES5104	1622 KELSON PLACE #80
121208 FREEPORT-MCMORAN MORENCI	AA	ES4831	1640 E TRILOGY LN #43
121205 FREEPORT-MCMORAN MORENCI	AA	ES4863	1650 E TRILOGY LN #42
121215 FREEPORT-MCMORAN MORENCI	AA	ES4843	1646 E KELSON PLACE #58
121214 FREEPORT-MCMORAN MORENCI	AA	ES4846	1684 E KELSON PLACE #57
121213 FREEPORT-MCMORAN MORENCI	AA	ES4845	1664 E KELSON PLACE #58
121212 FREEPORT-MCMORAN MORENCI	AA	ES4852	1674 E KELSON PLACE #55
122572 PROVIDENCE DEVELOPMENT INC	AA	ES4800	1684 E KELSON PLACE #54
122571 PROVIDENCE DEVELOPMENT INC	AA	ES3395	1685 E TRILOGY LN #52
121211 FREEPORT-MCMORAN MORENCI	AA	ES4840	1685 E TRILOGY LN #51
122573 PROVIDENCE DEVELOPMENT INC	AA	LG2226	1340 S KELSON PLACE #279
122848 BROADHEAD, LYLE	AA	LG2226	1340 S KELSON PLACE #279
121210 FREEPORT-MCMORAN MORENCI	AA	ES4844	1675 E TRILOGY LN #50
121208 FREEPORT-MCMORAN MORENCI	AA	ES4877	1685 E TRILOGY LN #49
121207 FREEPORT-MCMORAN MORENCI	AA	ES4876	1645 E TRILOGY LN #47
121089 BHUSHAN, ANUBHAW	AA	ES4884	1680 E TRILOGY LN #41
121204 FREEPORT-MCMORAN MORENCI	AA	ES4859	1670 E TRILOGY LN #40
121203 FREEPORT-MCMORAN MORENCI	AA	ES4856	1680 E TRILOGY LN #39
121202 FREEPORT-MCMORAN MORENCI	AA	ES4817	1680 E TRILOGY LN #38
122282 BACA, DAVID J	AA	ES5244	1720 TRILOGY LN #36
120794 KRUGER, ANDREA	AA	ES4851	1245 S GRAHAM LANE #35
121201 FREEPORT-MCMORAN MORENCI	AA	H658	1285 S GRAHAM LANE #33
121200 FREEPORT-MCMORAN MORENCI	AA	ES4787	1275 S GRAHAM LANE #32
121188 FREEPORT-MCMORAN MORENCI	AA	ES4786	1289 S GRAHAM LANE #31
121186 FREEPORT-MCMORAN MORENCI	AA	ES4785	1289 S GRAHAM LANE #30
121197 FREEPORT-MCMORAN MORENCI	AA	ES4784	1301 S GRAHAM LANE #29
120858 GONZALES, VICKIE	AA	ES4783	1315 S GRAHAM LANE #28
120475 PROVIDENCE DEVELOPMENT INC	AA	ES4782	1325 S GRAHAM LANE #27
121186 FREEPORT-MCMORAN MORENCI	AA	ES4780	1335 S GRAHAM LANE #26
120812 KEARNS, WALTER F	AA	ES4781	1345 S GRAHAM LANE #25
120886 BACA, DENISE	AA	ES4778	1351 S GRAHAM LANE #24
122419 JURADO, ROSA M	AA	ES4777	1365 S GRAHAM LANE #23
120740 CORDOVA, VERONICA	BA	ES4777	1375 S GRAHAM LANE #22
122524 STONER, DANIEL J	AA	ES4647	1385 S GRAHAM LANE #21
120734 TAYLOR, STEPHEN & CHRISTI	AA	ES4722	1405 S GRAHAM LANE #19
120836 BROWN, BRANDEN	AA	ES4652	1705 E COPPER CANYON DR #18
121185 FREEPORT-MCMORAN MORENCI	AA	LG004	1689 E COPPER CANYON DR #17
121194 FREEPORT-MCMORAN MORENCI	AA	LG002	1689 E COPPER CANYON DR #16
121183 FREEPORT-MCMORAN MORENCI	AA	LG005	1679 E COPPER CANYON DR #15
121192 FREEPORT-MCMORAN MORENCI	AA	LG003	1687 E COPPER CANYON DR #14
121181 FREEPORT-MCMORAN MORENCI	AA	LG001	1657 E COPPER CANYON DR #13
120162 PROVIDENCE DEVELOPMENT INC	AA	ES4857	1647 E COPPER CANYON DR #12
122788 THOMAS, JULIA	AA	ES4857	1647 E COPPER CANYON DR #12
122856 ROSSON, AARON G & TAMMY	AA	ES4857	1647 E COPPER CANYON DR #12

120835 BOSS, JEREMY	A4	ES4646	1385 S GRAHAM AVE #20
121180 FREEPORT-MCMORAN MORENCI	A4	ES4832	1837 E COPPER CANYON DR #11
122194 PAVLOS, KEN	A4	ES4842	1827 E COPPER CANYON DR #10
103073 UNION CANAL CO	11	PE238	SAFFORDBEHIND SAFFORD CARPET
120157 PROVIDENCE DEVELOPMENT INC	A4	ES4833	1805 E COPPER CANYON DR #8
120153 PROVIDENCE DEVELOPMENT INC	A4	ES4851	1561 E COPPER CANYON DR #4
12487 CLIFFORD, KENNETH WAYNE	11	PE395	1573 E HOLLYWOOD RD S OF HOUSE
116248 CLIFFORD, TONY	11	PE395	1573 E HOLLYWOOD RD-PUMP
120151 PROVIDENCE DEVELOPMENT INC	A4	H4855	1545 E COPPER CANYON DR #2
120152 PROVIDENCE DEVELOPMENT INC	A4	ES4627	1651 E COPPER CANYON DR #3
120160 PROVIDENCE DEVELOPMENT INC	A4	ES4387	1535 E COPPER CANYON DR #1
122801 PROVIDENCE DEVELOPMENT INC	A4	ES4930	1560 S KELSON PLACE #99
122889 CHAVEZ, TANYA	A4	ES4830	1560 S KELSON PLACE
109007 NEAL, JOHN	B1	ES2394	207 E 8TH STREET SAFFORD
115486 NEAL, JOHN	B1	ES3877	207 E 8TH ST SAFFORD
115159 SAFFORD VALLEY COTTON	LC1	CE4W272	120 E 9TH ST
9451 SAFFORD VALLEY COTTON	LC1	CE4W186	COOPERATIVE INC
6046 UNION CANAL CO	11	PE791	207 5TH ST
6047 UNION CANAL CO	11	PE792	SE CORNER OF SAFFORD GIN YARD
6049 WELKER, NORMAN	A1	H4612	311 E 14TH ST
6051 WELKER, NORMAN	11	PE340	1/2 MILE E OF 1ST AVE
6050 WELKER, GREG	A1	H709	400 E RELATON
109471 WHITMER, BRETT	A1	ES2868	215 E RELATON
103316 SCARBOROUGH, LANCE	A1	ES3077	1249 S CAROLINE LANE
109070 SCARBOROUGH, WIN	A1	ES3077	1249 S CAROLINE LANE
105289 SCARBOROUGH, WIN	A1	ES30124	1215 S CAROLINE LANE
6056 SCOTT, E W	A1	H218	CAROLINE LANE
112861 CUETO, JOE M	A1	H6078	1727 1ST AVE
6057 CUETO, JOE M	A1	ES3854	1835 S 1ST AVE
6086 JENSEN, CARL	A1	H607	1835 S 1ST AVE SAFFORD
107321 FIRST CHRISTIAN CHURCH	A1	H684	1819 S 1ST AVE SAFFORD
6059 FIRST CHRISTIAN CHURCH	B1	H254	1728 S 1ST AVE - SAFFORD
121415 HAEUSSLER, BRIGETTE	B1	H625	OF SAFFORD INC
116154 ZAMORA, RAY	A1	H626	1816 1ST AVE SAFFORD
121536 ALLEN, AUSTIN	A1	ES3368	1816 S 1ST AVE SAFFORD
120489 WINBERLEY, BYRON	A1	ES3088	1816 1ST AVE- APT IN BACK
6062 HOLDER, JIM	A1	H206	124 18TH ST
112030 BINGHAM, BRUCE E	A1	H656	126 E 19TH ST
121895 CURTIS, JARED	A1	H4495	128 E 19TH ST
118324 SCOTT, GARY V	A1	ES1984	204 E 19TH PLACE
122885 HANCOCK, ADELLE	A1	H717	202 E 19TH PLACE
112185 BINGHAM, STEPHEN B	A1	ES4383	202 E 19TH PLACE
6068 LAYTON, CLYDE	A1	ES30498	110 E 19TH PLACE
102605 BURRELL, ERNESTINA	A1	ES30498	102 E 19TH PL
116579 FREEMAN, DEBRA	A1	H804	1805 FIRST AVE
6089 RUIZ FAMILY TRUST	A1	ES2878	1818 FIRST AVE RENTAL
6070 MITCHELL, JAMES E	A1	ES1696	104 E 18TH PLACE
6075 ANGLE, MARVIN	A1	H4897	108 E 19TH PLACE
8076 KIGHT, DEBI	A1	ES302209	206 E 19TH PLACE
100103 CLUFF, HOUSTON	A1	H807	208 E 19TH PLACE
	A1	H559	209 E 19TH PLACE

8078 OLAH, ELMER	A1	E51015	207 E 19TH PLACE
117576 HERNANDEZ, EFFREN	A1	E53603	205 E 19TH PLACE
104825 PEDERSON, PATRICIA A	A1	E302132	203 E 19TH PLACE
117927 ARRELLIN, RAYMOND	A1	H5159	108 E 19TH PL
6082 MACK, G WAYNE	A1	H726	105 E 19TH PL
12852 DABBS, CAROLYN J	A1	H4736	103 E 19TH PLACE
121062 FLOWERS, MICHAEL & ERIN	A1	E51894	1919 FIRST AVE, SAFFORD
108051 ROBERTSON, KIMBLE PATRICK	A1	H485	2004 1ST AVE, SAFFORD
121788 HOLGUIN, MELINDA	A1	E61016	113 W 20TH ST
119686 RUBIO, CHRISTOPHER	A1	LG023	115 W 20TH ST
109545 GARDEA, RICHARD	A1	E51594	117 W 20TH ST SAFFORD
114223 CALDERON, VIRGINIA	A1	E54893	119 W 20TH ST SAFFORD
118718 STEPHENS, KIM	A1	H714	121 W 20TH ST
8035 CITY OF SAFFORD	B1	4WE292	20TH ST, LIFT STATION
6034 SHERMAN, W E	A1	H711	241 W 20TH ST
120782 COHEN, JULIE	A1	H1393	271 W 20TH ST LANDLORD
6033 SHERMAN, W E	A1	H715	241 W 20TH ST
11975 SHERMAN, W E	B1	E303067	241 W 20TH /BY HIS SHOP
6028 CHURCH OF JESUS CHRIST LDS	A1	H5080	20TH ST PLUMP
121346 MONTEZ, JOE	A1	E52085	180 W 20TH ST
103615 GOODMAN, ETHEL	A1	E63779	170 W 20TH ST SAFFORD
104939 MERINO JR, MIKE	A1	E63218	150 W 20TH ST SAFFORD
6086 MCRAE, TED	A1	H725	1824 1ST AVE
115172 CARDENAS, JORGE & AMALIA	A1	H467	102 E 20TH ST SAFFORD
11363 EL Y, HARVEY E	A1	E63776	104 E 20TH ST PLUMP
119943 PAUL, LINDA	A1	E53474	104 E 20TH ST TRAILER #1
117487 RUIZ, JOHN L	A1	E52376	104 E 20TH ST #2 W/TELLLOW
112341 CLARK, RANDY L	A1	H4534	104 E 20TH ST #4 SAFFORD
121908 VILLEGAS, ABRILA	A1	H4894	104 E 20TH STHOUSE
6121 PERU, MARCELINA	A1	H699	206 E 20TH ST
118588 BIEN, ERIKA	A1	H700	200 E 20TH ST
6131 TERRAZAS, FRANK	A1	E53653	208 E 20TH ST
6137 HOLDMAN, DOLLY & JESSE	A1	E56532	222 E 20TH ST
118647 MACK, CLAY	A1	E51320	312 E 20TH ST
119748 MACK, CLAY	A1	E54983	312 E 20TH ST
104309 WARD, SUE	A1	E53019	440 E 20TH STREET
119657 MACK, CHRIS	A1	E53810	400 E 20TH ST SAFFORD
6052 HERRERA, SERAPIO	A1	E301606	LONE STAR RD
110647 BECKSTEAD, TINA	A1	H1063	2416 WELKER LANE LANDLORD
122451 HOLGUIN, NICK E	A1	E6477	661 E LONESTAR RD
116365 ARANDA, RICK & ELENA V	A1	E54885	419 E 20TH ST
6171 ESTES, ETHAN	A1	H5086	417 E 20TH ST
118032 COLLUMS, LAURI	A1	E53811	415 E 20TH ST
14003 HARRIS, JANET A	A1	E30476	411 E 20TH ST
118130 BURRESON, KAREN	A1	H1801	408 E 20TH ST NEW HSE NEXT
122050 GARCIA, MEREDITH R	A1	E302222	413 E 20TH ST LONESTAR RD
122778 HINTON, JAMES M	A1	E30658	413 E 20TH ST LONESTAR RD
116757 GRAHAM, TRAVIS T MARTIN	A1	E30107	317 E 20TH STREET-TRAILER
116740 GRAHAM, TIMOTHY H	A1	E30107	315 E 20TH ST
121597 GRAHAM, MISTY	A1	E30107	315 E 20TH ST

8184 MAGALLANES, POLINAR	A1	H674	313 E 20TH ST
120286 AGUIAYO, JANE T	A1	H6041	301 E 20TH ST
107168 ELY, HARVEY E	A1	H144	225 E 20TH ST-MICHELE ELY
8136 CLARK, DAVID	A1	ES3048	298 E 20TH ST
8134 SAVAGE, PAT	A1	ES1454	219 E 20TH ST
6122 ELY, HARVEY E	A1	ES2562	BOX 256
118713 QUINONES, SANDRA	A1	H712	217 E LONESTAR RD
8117 ELY, HARVEY E	A1	H603	115 E 20TH ST SONNY'S HOUSE
101016 ELY, HARVEY E	A1	ES171	113 E 20TH ST SAFFORD
120274 ELY, HARVEY E	A1	ES4685	115 E 20TH ST SHOP BEHIND HSE
116232 BIEN, OLA	A1	H183	107 E 20TH ST
118789 GONZALES JR, JOE	A1	H170	105 E 20TH NEXT TO WAL T ROGGE
8090 ESCOBEDO SR, RUBEN L	A1	LGE107	103 E 20TH ST #83
8088 ORTIZ, STELLA	A1	H111	101 E 20TH ST
8087 NOJAS, MARY ANN	A1	H316	2001 S 1ST AVE SAFFORD
118912 AUTONOMICUS SOLUTIONS INC	A1	H4508	2008 1ST AVE SAFFORD
6177 ROSEBERRY, RONALD J	A1	ES302378	2050 S 1ST AVE - SAFFORD
104586 FLINER, MELVIN N	A1	ES3984	2058 S 1ST AVE SAFFORD
6178 RYAN, RUTH M	A1	H703	2144 S 1ST AVE
118320 BROWN, LAWYNN	A1	ES301716	2150 1ST AVE SAFFORD
122057 WITTENBRAKER, CHAD D	A1	H681	2214 S 1ST AVE SAFFORD
118704 BERMUDEZ, BALTAZAR M	A1	ES4123	2308 1ST AVE SAFFORD
8182 BROWN, CHARLES	B1	H644	2248 S 1ST AVE
118591 VOCKE, PAMELA L	A1	H5319	2214 S 1ST AVE SAFFORD
118705 BERMUDEZ, BALTAZAR M	A1	ES4144	2308 1ST AVE
121478 RIOS, ALEXUS E	A1	ES4148	2306 1ST AVE SAFFORD
106728 CURTIS, GEORGE	A1	H1573	2332 1ST AVE SAFFORD
122729 WARNER, JEREMY L	A1	SW032	2332 1ST AVE SAFFORD
8186 TOLMAN, RONALD C	A1	ES4134	2350 1ST AVE SAFFORD
102846 JONES, DAVID F	A1	H1435	2350 1ST AVE SAFFORD
89867 JONES, DAVID F	A1	SW039	2284 S 1ST AVE SAFFORD
8185 BERMUDEZ, BALTAZAR M	A1	ES4148	2308 S 1ST AVE SAFFORD
8182 RODELA, ROBERT B	A1	ES1390	2302 S 1ST AVE SAFFORD
6184 JONES, NOLAN C	A1	H601	2406 S 1ST AVE SAFFORD
9641 JONES, NOLAN C	A1	HS49	2414 S 1ST AVE SAFFORD
117110 SCOTT, STACEY	A1	ES4586	2414 1/2 S HWY 191
119860 EVANS, SKYLER	A1	H602	2394 S 1ST AVE SAFFORD
101583 ROYBAL, CARMEN	A1	H648	2400 1ST AVE SAFFORD
113912 BARTON, FRANKLIN L	A1	H608	2420 HWY 191
121790 FARLEY, PATRICK	A1	H2086	2422 S 1ST AVE SAFFORD
6212 GARROBO, JOHNNY	A1	ES1704	2452 S 1ST AVE SAFFORD
6214 ORTIZ, OTILA	A1	H846	2510 S 1ST AVE SAFFORD
6215 PASLEY, WILLIAM S	A1	ES4394	2560 S US HWY 191
122361 VAUDRIN, JEFFREY A	A1	ES4394	2560 S US HWY 191
122744 TOON, SUZANNE	A1	H4483	2570 S 1ST AVE LANDLORD
121888 GLENN, GARY OR DONNA	A1	H826	2600 S 1ST AVE SAFFORD
119974 LAWS, RACHEL	A1	H4516	2620 S 1ST AVE
122150 PALEY, DAN	A1	H820	2654 S 1ST AVE HWY 191
113842 BURGE, JONIE J	A1	H1829	2720 N 1ST AVE SAFFORD
118948 ALLRED, CHARLIE	A1		

118167 BARNES, JOMELYN OR STEVEN	A1	H480	2724 1ST AVE SAFFORD
6253 ROBBES, RICK	A1	B736	2812 S 1ST AVE
112315 ROBBES, RICK	A1	H1581	2412 S 1ST AVE
6271 ADAMS, DEL SCOTT	A1	H705	2810 FIRST AVE
117952 BROWN JR, ANDREW F	A1	E302941	2788 FIRST AVE/SAFFORD
6273 CECIL'S GARAGE	B1	4WE333	2814 FIRST AVE
106479 ADAMS, ANGELA	A1	H704	2818 S 1ST AVE SAFFORD
103561 MOORE, HAROLD T	A1	H5013	2830 FIRST AVE
104032 MOORE, HAROLD T	A1	H5029	2826 FIRST AVE SAFFORD
6279 VILLALBA, ROSA	A1	H728	2884 FIRST AVE
119118 ORNELAS, GABE	A1	ES4324	2860 1ST AVE SAFFORD
108114 VILLALBA, DAVID	A1	H2165	2884 1/2 S 1ST AVE SAFFORD
117081 ABSHIER, SHAWN R	A1	ES2315	2850 FIRST AVE/SAFFORD
122576 HORNELAZ, ROCHELLE	A1	H1864	3004 1ST AVE #2 SWIDE
14124 HORNELAZ, RICK	B1	ES1372	3004 1ST AVE
6289 HORNELAZ, RUDY C	A1	E301984	3002 S 1ST AVE
118268 KOUTS, JASON	A1	ES4385	2950 INDUSTRIAL PARK LOOP
9728 MERINO, RETNALDO	A1	H693	178 NOR-JEAN WAY
118410 JACQUES, BILL	A1	H692	224 NORJEAN WAY
6280 HUNTINGTON, JOSEPH	A1	H6311	270 NOR JEAN WAY
110275 EDDY, CAROL	A1	H1094	316 E NORJEAN WAY
108244 EDDY, CAROL	A1	H729	316 E NORJEAN WAY
121306 STONE, TRICIA	A1	H858	358 E NOR JEAN WAY
110330 MARTIN, IRMA O	A1	H723	388 E NORJEAN WAY
110659 GEORGE, JUDITH	A1	H701	397 E NOR JEAN WAY
6254 DOBBS, CHARMAVNE	A1	ES5525	357 NOR JEAN WAY
6258 PEREZ, JOE M	A1	H694	355 NORJEAN WAY
108839 KOVAL, ROBERT	A1	ES1844	289 E NOR JEAN WAY SAFFORD
115372 FINMAN, TIMOTHY & BEVERLY	A1	H730	415 E NOR JEAN WAY SAFFORD
118736 HEWITT, ANN	A1	ES3144	289 E NOR JEAN WAY
108069 RUIZ, TIM	A1	ES4448	223 E NORJEAN WAY
110399 DERRICK, ROSALIE	A1	ES2861	177 E NOR JEAN WAY
89421 OWENS, JIM	A1	ES5202	131 EAST NOR-JEAN WAY LOT#15
118366 BLASIUS, HEIDI B	A1	ES3906	166 E 27TH ST
118838 GARCIA, MICHAEL	A1	ES4277	2690 S 27TH DRIVE #4
119651 COPELAND, JAMIES	A1	ES4804	2680 S 27TH PLACE COPELAND
118941 GROCE, ANTHONY J	A1	ES1726	2670 S 27TH DR
119033 PEREZ, MELINDA	A1	LGE253	2680 S 27TH PLACE #4
108987 DARNELL, LINDA	A1	H707	268 E 27TH ST
6248 MONTIERTH, NEAL	A1	H720	2690 FIRST AVE
114536 SHUPE, STIRLING	A1	ES1319	424 E 27TH STREET
6245 RUSSELL, DANIL	A1	H731	2651 FIRST AVE
6224 NEW TESTAMENT BAPTIST	B1	E301783	2501 S 1ST AVE SAFFORD
114533 NEW TESTAMENT BAPTIST	B1	H4816	A/C 2501 1ST AVE SAFFORD
6225 NEW TESTAMENT BAPTIST	A1	H5182	2501 S 1ST AVE SAFFORD
120320 NEW TESTAMENT BAPTIST	A1	ES5364	2501 S 1ST AVE SAFFORD
6223 CLARIDGE, RICHARD M	A1	H1816	202 E 24TH PLACE
6220 LINDESEY, GREG R	A1	H971	2408 1ST AVE SAFFORD
117574 VARELA, NARCISO R	A1	H4638	314 E 24TH PL
117575 VARELA, NARCISO R	A1	H771	314 E 24TH PLACE

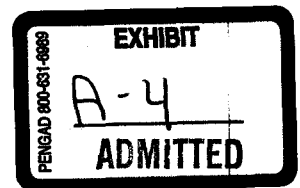
104869	ANGLE, ELDON P	A1	E51073	317 E 24TH PLACE
106163	ANGLE, ELDON P	A1	E53526	2429 S 1ST AVE. SHOP
102214	C J ANGLE CONSTRUCTION	A1	E52148	CHRIS ANGLE HOME-186 E 24TH PL
121806	RUSSELL, GINGER	A1	E51877	2280 TWILIGHT AVE
120887	AARON, CRANDALL	A4	E58000	2280 TWILIGHT AVE
122680	KUPSTEIN, SHAWN	A4	E59000	2280 TWILIGHT AVE
122320	LOZANO, ALEX C	A4	E56053	180 E OBSERVATORY LN
120360	BAYSINGER, ORLIN OR KRISTIE	A4	E54185	MONTANA VISTA #21
120829	WORLEY, MICHAEL	A4	E54470	MONTANA VISTA #20
119923	CITY OF SAFFORD	B4	E54550	MONTANA VISTA WATER RETENTION
121724	C J ANGLE CONSTRUCTION	A4	L9089	MONTANA VISTA #4
121589	C J ANGLE CONSTRUCTION	A4	E55069	MONTANA VISTA #3
122589	BELL, TAMMI	A4	E55069	255 OBSERVATORY STREET
120297	BAYSINGER, DAVID	A4	E54304	201 OBSERVATORY RD
120870	FELTON, TARSHER	A4	E54485	235 OBSERVATORY RD
98953	BROWN, WAYNE O	A1	H4708	2123 1ST AVE SAFFORD
107281	FRENCH, CLYDE R	A1	H847	2118 S 1ST AVE
112472	WOODMAN, CYNTHIA S	A1	E54578	1ST AVE IN SAFFORD
114301	SAKO, JERRY	A1	E56078	2115 S 100 E HWY 191
109890	TORRES, MILLIE G	A1	H851	2085 S 1ST AVE SAFFORD
105468	TORRES, MILLIE G	A1	E5176	2085 S 1ST AVE ON HWY 191
113401	RHEINFELDER, SHIRLEY	A1	E53752	2073 S 1ST AVE SAFFORD
113571	BRADFORD, EARLE	A1	E303048	2003 1ST AVE SAFFORD
122315	COLDWELL, BANKER	A1	H1852	2005 1ST AVE SAFFORD
6306	BASS, JAMES E	A1	E5531	EAST ON JENSEN HILL
105478	EL PASO NATURAL GAS CO	A1	E53338	1ST AVE-RECTIFIER BY J BASS
11316	ARIZONA DEPT OF TRANSPORTATION	B1	CE4W251	EQUIPMENT SHOP - RPUAATF
115740	ARIZONA DEPT OF TRANSPORTATION	B1	H4475	ADOT YARD - RPUAORN
6334	ARIZONA DEPT OF TRANSPORTATION	B1	C192	MAINTENANCE YARD - RPUAESG
101853	SAFFORD UNIFIED SCHOOLS	B1	CE63W184	32ND STREET
105322	SAFFORD UNIFIED SCHOOLS	B1	CE63W128	32ND STREET - BY OTHER SERVICE
105363	OWENS, JIM	B1	E53921	OFF OF 32ND- NEW BUILDING

123757	KILLMER, ROBERT	A1	H626	1818 1ST AVE. SAFFORD
123782	HINOJOS, RICHARD	A4	E51634	SUNRISE VILLAGE #442
123756	SCROGGINS, BEVERLY	A4	E53405	SUNRISE VILLAGE #448
4826	ISAACS, DONELLEEN	A1	H716	1272 E HOLLYWOOD RD
123614	DICKEY, KATHRYN & LAD	A1	E52879	1918 FIRST AVE SAFFORD
123589	GINGERICH, GARY	A1	E55079	2115 S 100 E HWY 191
123631	CAIN, DONNA L	A4	E51143	SUNRISE VILLAGE #33
123653	MARBLE, DENITA	A4	E54857	1847 E COPPER CANYON DR #12
123528	RENCHER, ALLEN OR ROSEMARY	A1	E53779	170 W 20TH ST SAFFORD
123531	VILLALBA, FRANCINE	A4	H4538	SUNRISE VILLAGE #403
123548	NEWTON, KEVIN B	A4	H5071	SUNRISE VILLAGE #469
123527	CASHWELL II, WILLIAM J	A4	E55400	1684 E KELSON PLACE #54
123545	GARROBO, ROSEANN	A1	H1063	2416 WELKER LANE LANDLORD
123683	ARAGON, DOROTHY	A4	H1367	SUNRISE VILLAGE #240
123682	MERINO, RENAALDO	A1	E51016	113 W 20TH ST

123322 CLARK, SANDRA	A4	H808	SUNRISE VILLAGE #37
123783 COBOS, ERNESTO	A1	E51994	204 E 18TH PLACE
123577 YOUNG, MINDY	A1	H485	2004 1ST AVE SAFFORD
123408 MEDINA, CONCHA	A4	H2159	SUNRISE VILLAGE #231
123511 STEPHENS, JESSICA	A4	H1635	SUNRISE VILLAGE #29
123414 CONWAY JR, JAMES A	A4	E54540	SUNRISE VILLAGE #361 RV
123412 RODRIGUEZ JR, CAMILO	A4	H886	SUNRISE VILLAGE #480
123418 RAOLER, DAVID	A4	E52059	SUNRISE VILLAGE #152
123247 SILVA, SHARON	A4	E53384	SUNRISE VILLAGE #185
123358 HOLLAND, ROBERT	A4	E52845	SUNRISE VILLAGE #197
123087 FERTIG, KRISTI	A1	H1816	202 E 24TH PLACE
123079 US TRANSPORT INC	B4	H4881	870 E HWY 70-TRAILER SALES
123289 PREVATKE, LUIS R	A4	E53871	SUNRISE VILLAGE #47
123063 RAMIREZ, URICK T	A4	E30518	SUNRISE VILLAGE #445
123186 FLOWERS, JESSICA	A4	E52186	SUNRISE VILLAGE #346
123174 ARMILLO, JIMMY P	A4	E53869	SUNRISE VILLAGE #209
123205 ARMILLO, TONI	A4	H4836	SUNRISE VILLAGE #213
123448 WRAY, STEPHANIE	A4	E51253	SUNRISE VILLAGE #418
123101 NUNEZ, ERIKA	A4	H680	SUNRISE VILLAGE #402
122986 TAYLOR, JEDIKAH & MARIELLE	A1	H704	2818 S 1ST AVE SAFFORD
123141 HOPSON, KERRI	A4	E55068	256 OBSERVATORY STREET
123800 GARCIA, TERESA	A4	H1478	SUNRISE VILLAGE #154
123117 PERRY, SEANNA	A4	E302139	SUNRISE VILLAGE #40
123358 WORRAL, CHERALEE	A4	LGE322	SUNRISE VILLAGE #26
123705 BERNAL, THOMAS A	A1	E54148	2306 1ST AVE SAFFORD TRAILER
123820 HOM, JEFF	A4	E44886	SUNRISE VILLAGE #158
123783 INGRAM, CHARLES R	A4	H4718	SUNRISE VILLAGE #23
122934 STREIGHT, CHERYL	A4	H1449	SUNRISE VILLAGE #180
123878 FUENTES, DAVID	A4	H1048	SUNRISE VILLAGE #468
122894 LEE, CAROL	A4	H1885	SUNRISE VILLAGE #352 RV
123308 CORNELIUS, VANESSA	A4	H788	SUNRISE VILLAGE #452
123853 MILES, DAVID	A1	E53086	1816 1ST AVE- APT IN BACK
122883 BENCOMO, RHONDA	A4	LGE239	SUNRISE VILLAGE #149
122987 CHITWOOD, TAMMIE	A4	E53289	SUNRISE VILLAGE #38
122091 LAMBORN, MONTY	A4	E54423	SUNRISE VILLAGE #444
123057 DANIELS, TRISHA	A4	E54646	1385 S GRAHAM AVE #20
123887 C J ANGLE	A1	H700	200 E 20TH ST
122886 MORALES, DANIEL	A1	E54148	2300 S 1ST AVE SAFFORD
123453 RODGERS, CLINT	A1	H4508	2008 1ST AVE SAFFORD
123120 FROST, JOSEPH	A4	E53628	SUNRISE VILLAGE #261
122830 ORNDORFF, RON	A4	E55023	SUNRISE VILLAGE #349
122819 JOHNSON, RUTH ANN	A1	E53019	440 E 20TH STREET
123703 ECHARD JR, EDDIE	A1	H1573	2332 1ST AVE SAFFORD
122845 SMITH, GINNA	A1	H730	415 E NOR JEAN WAY SAFFORD
123409 STORIE, DONALD	A4	E53988	SUNRISE VILLAGE #145
123115 RAMIREZ, KENNY	A4	H418	SUNRISE VILLAGE #410
117532 WALDEN, STARR	A4	E54755	SUNRISE VILLAGE #363
123237 WALDEN, STARR	A4	E52504	SUNRISE VILLAGE #362
123647 HILL, ANDREW	A4	H1918	SUNRISE VILLAGE #50

**Additional Areas Graham Electric Cooperative, Inc. will serve
until January 1, 2016 pursuant to Sec. 7 of the
Territorial Settlement Agreement**

1. Service to all rental spaces, common elements and electric needs associated with Sunrise Village, a trailer park located at the intersection of US Hwy 70 and Little Hollywood Road.
2. Service to the 279 lots comprising the subdivision known as Copper Canyon, which is located in Section 16, Township 7 South, Range 26 East, G&SRM, Graham County, Arizona.
3. Service to the 52 lots comprising the subdivision known as Montana Vista Estates, which is located in Section 20, Township 7 South, Range 26 East, G&SRM, Graham County, Arizona.

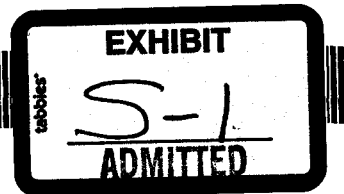


City of Safford

Confidentiality Policy

"The City of Safford has the following practice concerning the disclosure of customer-specific information to third parties. Customer-specific information, such as that collected and used by the City of Safford for the determination of credit rating and security deposit at the time of new service connection, is not released without specific prior written customer authorization unless the information is requested by a law enforcement agency, is required for legitimate account collection activities, or is necessary to provide safe and reliable service to the customer. In addition, the City of Safford has a formal policy concerning the prevention and identification of identity theft with respect to its customers."

Horatio Skeete, City Manager



MEMORANDUM
RECEIVED

TO: Docket Control

2015 NOV -6 A 11: 52

FROM: Thomas M. Broderick
Director
Utilities Division

hm *h*
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Date: November 6, 2015

RE: STAFF REPORT FOR THE APPLICATION OF GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY AND TO TRANSFER CERTAIN OF ITS ASSETS TO THE CITY OF SAFFORD. (DOCKET NO. E-01749A-09-0185)

Attached is the Staff Report for the application of Graham County Electric Cooperative, Inc. for the Arizona Corporation Commission authority to transfer certain of its assets to the City of Safford and to amend its Certificate of Convenience & Necessity in relation thereto. Staff recommends approval.

TMB:BNC:red\MAS

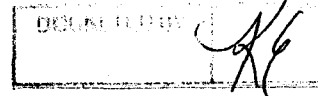
Originator: Blessing Chukwu

Attachment: Original and 13 Copies

Arizona Corporation Commission

DOCKETED

NOV 06 2015



Service List for: Graham County Electric Cooperative, Inc.
Docket No. E-01749A-09-0185

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2575 East Camelback Road
Phoenix, Arizona 85016-9225
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Ms. Janice Alward
Chief Legal Counsel, Legal Division
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1200 West Washington Street
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Mr. Dwight Nodes
Chief Administrative Law Judge, Hearing Division
Arizona Corporation Commission
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Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

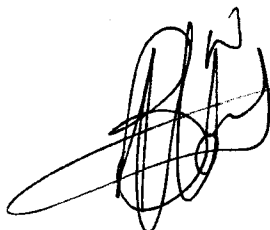
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
DOCKET NO. E-01749A-09-0185

APPLICATION FOR COMMISSION AUTHORITY TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY AND TO TRANSFER CERTAIN OF ITS ASSETS TO
THE CITY OF SAFFORD.

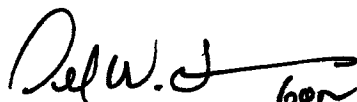
NOVEMBER 6, 2015

STAFF ACKNOWLEDGMENT

The Staff Report for Graham County Electric Cooperative, Inc., Docket No E-01749-09-0185, was prepared by the Staff members shown below. Blessing Chukwu was responsible for the review and analysis of the application. Margaret "Toby" Little was responsible for the engineering and technical analysis. Carmen Madrid was responsible for researching the Consumer Service issues in this proceeding.

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Blessing Chukwu
Executive Consultant III

A handwritten signature in black ink, appearing to read 'M. W. J.' followed by a horizontal line and the word 'bon' written below it.

Margaret "Toby" Little
Utilities Engineer

A handwritten signature in black ink, written in a cursive style that reads 'Carmen Madrid'.

Carmen Madrid
Public Utilities Consumer Analyst I

EXECUTIVE SUMMARY
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
DOCKET NO. E-01749A-09-0185

On October 1, 2015, Graham County Electric Cooperative, Inc. ("Graham" or "Cooperative") filed an application the Arizona Corporation Commission ("Commission") to delete the Safford Service Area ("SSA") and transfer related assets to the City of Safford ("Safford" or "City"), and requested expedited consideration in order to obtain Commission consideration of the request to complete the transfer by December 31, 2015.

Graham is a non-profit electric distribution cooperative, certificated by the Commission in Decision No. 33006, dated April 6, 1961, to operate and maintain an electrical system in most areas of Graham County. The Cooperative serves areas located south and east of the San Carlos Apache Indian Reservation, but excludes areas within the corporate boundaries of the City and the Town of Thatcher. Graham currently serves approximately 6,500 members through rates and charges that were approved by the Commission in Decision No. 70289, dated April 24, 2008.

The City is a municipal corporation that operates electric distribution systems within and outside its corporate boundaries.

Prior to 1946, the Arizona General Utilities Company ("AGU") was the sole provider of electric service within Graham County. In 1946, Graham, Safford and the Town of Thatcher ("Thatcher") jointly acquired the assets of AGU. On January 22, 1946, Graham, Safford and Thatcher entered into a joint contract ("the 1946 Agreement") whereby Safford and Thatcher acquired the assets within their respective boundaries while Graham purchased the remaining assets.

In 2009, Graham and the City entered into a Territorial Settlement Agreement ("TSA"), in an attempt to fully resolve all issues surrounding service rights and obligations with the common service area. The TSA provides for Graham to serve the Walmart Property and load ("Walmart") through December 31, 2012. Effective January 1, 2013, the Cooperative was required to transfer the Walmart as well as the facilities for serving the load to Safford. In exchange, Graham assumed the right and responsibility for serving the Safford Municipal Airport. Also, the City swapped its distribution facilities for serving the Airport to Graham, in a quid pro quo transaction. In addition, the TSA delineated a geographic area, known as the Safford Service Area, which with certain exceptions, is the area Safford has the right to serve under the terms of TSA. The TSA also authorizes Graham to continue to serve its existing customers within the redefined SSA, from January 1, 2009 through December 31, 2015. Further, the TSA permits Graham to sign-on new customers during the intervening period, only when the City does not have the facilities to serve the new customer, at the time of requesting service. Further, the TSA requires Graham to file a new application, no later than January 15, 2015, for Commission authority to transfer to the City, its customers and facilities within the SSA, effective January 1, 2016. The instant application was filed in order to complete the final transfer.

In this application, Graham requests the following approvals: (1) that the portions of the SSA excluded from Decision No. 71471 be deleted from the Cooperative's Certificate of Convenience and Necessity ("CC&N"); (2) that Graham be authorized to transfer to Safford all distribution assets used to serve the load within the SSA; (3) that Graham be authorized to transfer

customer-specific information to Safford; and (4) that these approvals be granted prior to December 31, 2015, which is the Final Transfer Date identified in the TSA.

Staff has reviewed Graham's application and determined that (i) the City is capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers being transferred from Graham; (ii) the City is ready, willing and able to provide service in the SSA and has taken steps to ensure that the same quality of service would be provided to the customers within the SSA who have been receiving electric service from Graham; (iii) no detrimental impact to service reliability will occur as a result of the transfer; (iv) Graham is still obligated to confirm via a certificate that the affected customers were given notice and informed of the hearing in this matter; opportunity to be heard; (v) the proposed modification of CC&N and transfer of assets is in the public interest; and (vi) the transfer of customer-specific information from Graham to the City is necessary to effectuate the transfer and would best serve the public interest.

Based on these factors, Staff recommends the following:

- (1) That the Commission grant Graham's request to delete from the Cooperative's CC&N the portions of the SSA excluded from Decision No. 71471.
- (2) That the Commission approve Graham's request to transfer to Safford all distribution assets used to serve the load within the SSA.
- (3) That the Commission grant Graham's request to transfer customer-specific information to Safford.
- (4) That the Commission require Graham to file with Docket Control, within seven (7) days after the hearing in this Docket, late-filed exhibits consisting of a documentation showing the final purchase price, an updated list of affected customers and an updated list of the facilities within the SSA to be transferred to the City.
- (5) That Graham be authorized to engage in any transactions and to execute or cause to be executed any documents so as to effectuate the authorizations requested with the application.
- (6) That Graham be required to file all pertinent documents evidencing the consummation of this transaction, no longer than 30 days from the effective date of transaction.

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BACKGROUND

On January 26, 2010, the Arizona Corporation Commission ("ACC" or "Commission") issued Decision No. 71471 which approved Graham County Electric Cooperative, Inc. ("Graham" or "Cooperative" or "GCEC") application to modify its Certificate of Convenience and Necessity ("CC&N") and to transfer certain assets to the City of Safford ("Safford" or "City") as part of a comprehensive Territorial Settlement Agreement ("TSA") between Graham and Safford. The TSA called for a multi-year transition period under which the final transfer of the Safford Service Area ("SSA") and the related assets would not occur until January 1, 2016. Decision No. 71471 required Graham to file another application with the Commission by January 15, 2015.

On January 14, 2015, Graham filed, as a compliance item, a request to delete the remaining portions of the SSA from its CC&N and for approval of the asset transfer, but did not identify the filing as an "application".

On October 1, 2015, Graham filed an Application to Delete the Safford Service Area and Transfer Related Assets, and requested expedited consideration in order to obtain Commission consideration of the request to complete the transfer by December 31, 2015.

On October 14, 2015, the Commission's Utilities Division ("Staff") filed a Request for Expedited Procedural Conference. Staff and Graham submitted a proposed schedule that would provide for an expedited procedural schedule and hearing.

On October 21, 2015, by procedural order, the hearing on the merits is set for November 16, 2015.

THE TRANSACTION

Graham is a non-profit, electric distribution cooperative certificated by the Commission in Decision No. 33006, dated April 6, 1961, to operate and maintain an electrical system in most areas of Graham County. The Cooperative serves areas located south and east of the San Carlos Apache Indian Reservation, but excludes areas within the corporate boundaries of the City and the Town of Thatcher. Graham currently serves approximately 6,500 members through rates and charges that were approved by the Commission in Decision No. 70289, dated April 24, 2008. According to Graham's 2014 Annual Report, the Cooperative has 9,206 active meters.

The City is a municipal corporation that operates electric distribution systems within and outside its corporate boundaries.

Effective January 1, 2009, Graham and the City entered into a Territorial Settlement Agreement, in an attempt to fully resolve all issues surrounding service rights and obligations with the common service area. The TSA provides for Graham to serve the Walmart Property and load ("Walmart") through December 31, 2012. Effective January 1, 2013, the Cooperative was required to transfer the Walmart as well as the facilities for serving the load to Safford. In exchange, Graham assumed the right and responsibility for serving the Safford Municipal Airport. Also, the City

swapped its distribution facilities for serving the Airport to Graham, in a quid pro quo transaction. In addition, the TSA delineated a geographic area, known as the Safford Service Area, which with certain exceptions, is the area Safford has the right to serve under the terms of TSA. The TSA also authorizes Graham to continue to serve its existing customers within the redefined SSA, from January 1, 2009 through December 31, 2015. Further, the TSA permits Graham to sign-on new customers during the intervening period, only when the City does not have the facilities to serve the new customer, at the time of requesting service. Further, the TSA requires Graham to file a new application, no later than January 15, 2015, for Commission authority to transfer to the City, its customers and facilities within the SSA, effective January 1, 2016. Following notice and hearing, the Commission approved the TSA in Decision No. 71471, issued on January 26, 2010. Under that Decision and the TSA, Graham continued to serve its existing customers in the SSA until January 1, 2016.

On October 1, 2015, pursuant to Decision No. 71471 and the TSA, Graham filed the instant application with the Commission to effect the final transfer of the service territory and the related assets from Graham to the City.

As shown on Exhibit 3, attached to Graham's current application, Graham has provided a list of its current customers within the SSA. As of October 1, 2015, Graham has a total of 778 electric meters and 600 customers in the SSA. In testimony, Graham witness Kirk Gray states that this number may change before the final transfer because there are active developments within the SSA that were excluded from Decision No. 71471 and therefore are currently within Graham's CC&N service territory. Mr. Gray anticipates that Graham may add as many as 12 new customers before the final transfer.

Graham witness Kirk Gray presents several documents in his testimony in support of the application. Exhibits KG-2 and KG-3 to Mr. Gray's testimony are the inventory of the facilities serving existing customers and to be transferred to Stafford in 2016. In Exhibit KG-2, the list of facilities that were in place as of January 1, 2009, the Cooperative identified the assets, the related sales price and the net book value. In Exhibit KG-3, the list of facilities added after January 1, 2009, the Cooperative, instead of identifying the assets, identified the work orders per customer and the related material, labor and overhead costs. The purchase price of the facilities serving the existing load will be the sum of (i) an amount equal to the replacement cost less depreciation, but in no event less than \$950,000 or greater than \$1,250,000; plus (ii) the cost of any new facilities GCEC installs after January 1, 2009 (the effective date of the Territorial Settlement Agreement). The total purchase price is not yet known. Graham witness estimates that the final purchase price will be in the \$975,000 range. In testimony, Mr. Gray states that the number of facilities may also increase, for the same reasons that the number of customers within the SSA may increase prior to the final transfer. The final purchase price will be revised to incorporate cost data for facilities installed in September 2015 and over the next few months before the final transfer.

Upon Commission approval of this application, Safford would become the sole provider of electric service with the SSA. It is Staff's understanding that the transaction will be consummated in as seamless a manner as possible, with the objective of ensuring continuity and quality of electric service to all of the affected customers.

Staff recommends that Graham be required to file with Docket Control, within seven (7) days after the hearing in this Docket, late-filed exhibits consisting of a documentation showing the final purchase price, an updated list of affected customers and an updated list of the facilities within the SSA to be transferred to the City.

RATES AND TERMS OF SERVICE

The City's rates and charges are consistent with Graham's and in some cases lower than Graham's. The City's charges are higher than Graham's for new or additional service connection, reconnects after regular business hours, returned check fee, security lighting monthly minimum charge, late payment charge and purchased power adjustment. Attachment G is a comparative analysis of the rates and terms of service of Graham and Safford.

The City will NOT charge the affected customers the service connection charge of \$25.00.

CUSTOMER SECURITY DEPOSITS

Graham holds customer security deposits for some of the customers who will be transferred to Safford. Graham plans to refund the deposits to the customers as credits on their final bills. Where the deposit amount exceeds the final bill amount, Graham will refund the remaining balance via check to the customer directly.

LINE EXTENSION AGREEMENTS

Graham does not have any line extension agreements in the SSA boundaries, so there are no refund arrangements to address in the transfer to Safford.

CONSUMER SERVICE ISSUES

Staff's inquiry confirmed that Graham was in good standing with the Corporation Division of the Commission.

A search of Consumer Services database from 2012 through October 27, 2015, indicates that the Graham had eight (8) complaints. The complaints relate primarily to billing and service issues. The complaints have been fully resolved and closed.

ACC COMPLIANCE

A check of the Commission's Compliance Section database dated November 6, 2015, indicated that Graham had no delinquent ACC compliance items.

Graham has filed its 2014 ACC Utility Division Annual Report.

SPECIAL SERVICE PROGRAMS

Graham has approved Net Metering Tariff, Renewable Energy Standard Tariff and Energy Efficiency Plan on file. The Energy Efficiency Plan includes Refrigerator/Freezer Appliance Recycling Program, Residential Compact Fluorescent Lamps ("CFL") Lighting Program, Residential Low Income Weatherization Program, and Customer Energy Efficiency Program.

So that the transferred customers are not deprived of the benefits of those policies or programs, the Commission ordered Graham, in Decision No. 71471, to file with the Commission, no later than January 15, 2015, after consultation with the City, a report detailing the progress that has been made by the City toward developing renewable energy, net metering, energy efficiency and low income assistance policies that approximate the programs that are currently available to customers of Graham. Attachment E is Graham's Report on City of Safford Renewable Energy, Net Metering, Energy Efficiency and Low-Income Assistance Programs.

STAFF ANALYSIS OF THE CC&N DELETION AND ASSET TRANSFER APPLICATION

In any CC&N related proceeding, Staff is charged with reviewing the evidence submitted by an applicant to make a recommendation to the Commission based upon the facts contained in the application and any responses to the application by interested and/or affected parties. The issues in this proceeding is whether the City is capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers, whether the City is willing, ready and able to serve in the Safford Service Area, whether the affected customers were given a Notice of the application and/or hearing on the merits and whether the transaction is in the public interest.

Attachment B includes maps that reflect the boundaries of Graham's CC&N; reflect the portions of Graham's CC&N within the SSA that will be transferred to the City; and identify any other regulated electric utilities in the vicinity.

During its review, Staff issued informal data requests to Graham¹. In evaluating the relief requested by Graham, Staff examined four issues: (i) whether the City is capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers, (ii) whether the City is willing, ready and able to serve in the Safford Service Area; (iii) whether the Customers were given notice and informed to the hearing in this matter; and (iv) whether the transaction is in the public interest.

A. Is the City capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers?

The City is a municipal corporation that operates electric distribution systems within and outside its corporate boundaries. Prior to 1946, the Arizona General Utilities Company ("AGU")

¹ Determined to be the most expeditious way to handle data requests due to the time constraints involved.

was the sole provider of electric service in Graham County. In 1946, GCEC, Safford and the Town of Thatcher ("Thatcher") jointly acquired the assets of AGU. On January 22, 1946, GCEC, Safford and Thatcher entered into a joint contract (the "1946 Agreement") whereby Safford and Thatcher acquired the AGU assets within their respective boundaries, and GCEC acquired the remaining assets. The City has been providing electric service since and currently serves approximately 4,000 customers within and outside its boundaries. Graham has a total of 778 electric meters in the SSA and anticipates that Graham may add as many as 12 new customers/meters in the SSA before the final transfer.

Attachment F is the Staff Report that was filed on October 19, 2009, in this docket, documenting the results of Staff's review of the initial application filed in April 2009 by Graham. An inspection was conducted in April 2009 of the Walmart Supercenter and the Airport facilities which were to be transferred on December 31, 2012. Staff also observed the distribution facilities that would be transferred to Safford on January 1, 2016.

Attachment A is Staff's 2015 Engineering Report documenting Staff's Review of the Electric Facilities. The report indicates that on October 15, 2015, Staff received responses to informal data requests about changes to the Graham and Safford distribution systems since the issuance of Decision No. 71471. Through Graham legal counsel, Cooperative Staff confirmed that the transfer of Walmart and Airport facilities was accomplished in January 2013 as planned and that there were no problems associated with the transfer, nor have any problems been encountered since then.

Staff concludes that the City is capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers being transferred from Graham.

B. Is the City Ready, Willing, and Able to serve in the Safford Service Area?

Attachment A, the Staff's Engineering Report, indicates that in response to a question about changes to either the GCEC or Safford distribution systems since the Decision, GCEC staff outlined several changes that were made pursuant to a Wheeling and Transmission Agreement ("Agreement") between the two entities to increase reliability. Safford upgraded its substation and the 69 kV transmission switching capability to facilitate a 69 kV double circuit into the substation. A new 69 kV double circuit transmission line was built to provide a loop feed for reliability purposes and a primary distribution line was upgraded to handle the load. Under the terms of the Agreement, GCEC will own and operate the transmission line and Safford will own and operate the distribution line. In addition, Safford and GCEC have completed all necessary infrastructure and system upgrades to ensure that the customers transferred to Safford will receive the same quality of service.

Staff concludes that the City is ready, willing and able to provide service in the SSA. The City has taken steps to ensure that the same quality of service would be provided to the customers within the SSA who have been receiving electric service from Graham. Staff also concludes that no detrimental impact to service reliability will occur as a result of the transfer.

C. *Notice*

In any CC&N proceeding, notice is paramount to ensure that affected parties (landowners, customers, municipalities, counties, and/or other providers in the vicinity) have an opportunity to be heard. The burden of providing notice of an application generally falls on the applicant.

Per Graham, on October 31, 2015, it published a public notice of hearing for this application in the *Eastern Arizona Courier*, a newspaper of general circulation within and around its service territory. On October 30, 2015, it mailed the same public notice of hearing, and an additional notice which explains how the transfer will be physically accomplished were mailed to all customers of record as well as 20 property owners holding 40-acres or larger parcels of undeveloped land, within the SSA.

Per a Procedural Order issued October 21, 2015, Graham is directed to file certifications of mailing and publication of the hearing as soon as practical after they have been completed.

Staff concludes that Graham is still obligated to confirm via a certificate that the affected customers were given notice and informed of the hearing in this matter.

D. *Public Interest*

Decision No. 71471 approved Graham's application to modify its CC&N and to transfer certain assets to the City as part of a comprehensive Territorial Settlement Agreement between Graham and Safford. The TSA, approved in Decision No. 71471, called for a multi-year transition period under which the final transfer of the Safford Service Area and the related assets would not occur until January 1, 2016. Decision No. 71471 and the TSA required Graham to file another application with the Commission by January 15, 2015. The instant application was filed in order to complete the final transfer.

The Commission found that "the TSA was in the public interest", hence, it was approved. The parties has the burden of proof of demonstrating the proposed modification of the CC&N and the transfer of assets is in the public interest. The six-year lengthy transition period allowed Graham and the City time to implement the requirements of the TSA, including to prepare for the final transfer. With the final transfer, Graham will resolve all territorial disputes, will retain the wheeling revenues from the City and will be protected from the City using its power of condemnation to acquire Graham's assets. The City has the capability and qualifications to provide the relevant service and is willing and able to provide the service at a reasonable rate to the consumers.

Staff concludes that the proposed modification of CC&N and transfer of assets is in the public interest.

Graham requests it be authorized to transfer customer-specific information to the City. Customer information, account information and related proprietary information are confidential unless specifically waived by the customer in writing. Attachment D is the City's Confidentiality Policy.

Staff concludes that the transfer of customer-specific information from Graham to the City is necessary to effectuate the transfer and would best serve the public interest.

Graham requests that the approvals of its requested relief be granted prior to December 31, 2015, which is the Final Transfer Date identified in the TSA.

E. Conclusions

Based on the information provided in this docket and from Staff's review of other available materials regarding Graham, Staff concludes that (i) the City is capable of operating the electrical assets that will be transferred and of providing safe and reliable service to the customers being transferred from Graham; (ii) the City is ready, willing and able to provide service in the SSA and has taken steps to ensure that the same quality of service would be provided to the customers within the SSA who have been receiving electric service from Graham; (iii) no detrimental impact to service reliability will occur as a result of the transfer; (iv) Graham is still obligated to confirm via a certificate that the affected customers were given notice and informed of the hearing in this matter; (v) the proposed modification of CC&N and transfer of assets is in the public interest; and (vi) the transfer of customer-specific information from Graham to the City is necessary to effectuate the transfer and would best serve the public interest.

RECOMMENDATIONS

Staff recommends the following:

- (1) That the Commission grant Graham's request to delete from the Cooperative's CC&N the portions of the SSA excluded from Decision No. 71471.
- (2) That the Commission approve Graham's request to transfer to Safford all distribution assets used to serve the load within the SSA.
- (3) That the Commission grant Graham's request to transfer customer-specific information to Safford.
- (4) That the Commission require Graham to file with Docket Control, within seven (7) days after the hearing in this Docket, late-filed exhibits consisting of a documentation showing the final purchase price, an updated list of affected customers and an updated list of the facilities within the SSA to be transferred to the City.
- (5) That Graham be authorized to engage in any transactions and to execute or cause to be executed any documents so as to effectuate the authorizations requested with the application.

- (6) That Graham be required to file all pertinent documents evidencing the consummation of this transaction, no longer than 30 days from the effective date of transaction.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant
Utilities Division

FROM: Margaret (Toby) Little
Consultant
Utilities Division *DS 601*

THRU: Del Smith *DS 601*
Chief of Engineering
Utilities Division

DATE: October 14, 2015

RE: ENGINEERING REPORT FOR APPLICATION TO DELETE THE
SAFFORD SERVICE AREA AND TRANSFER RELATED ASSETS (DOCKET
NO. E-01749A-09-0185)

On January 26, 2010, the Arizona Corporation Commission ("Commission") issued Decision No. 71471 ("Decision") approving the application of Graham County Electric Cooperative, Inc. ("GCEC" or the "Cooperative") to modify the Cooperative's Certificate of Convenience and Necessity ("CC&N") to transfer certain assets to the City of Safford ("Safford") as part of a comprehensive Territorial Settlement Agreement (the "TSA") between GCEC and Safford. Because the TSA called for a multi-year transition period pursuant to which the final transfer of the Safford Service Area ("SSA") and related assets would not occur until January 1, 2016, the Decision required GCEC to file another application with the Commission no later than January 15, 2015.

On January 14, 2015, GCEC filed an application requesting deletion of the remaining portions of the SSA from its CC&N service area and approval of the asset transfer. It has recently been determined that the application filed in January was incorrectly identified as a compliance filing and has not yet been analyzed. The Cooperative therefore filed a subsequent application on October 1, 2015 ("Application") in which it requested that the Commission (1) delete from GCEC's CC&N the portions of the SSA not already deleted by the Commission's prior Decision and (2) authorize the Cooperative's transfer to Safford of all distribution assets used to serve the load within the SSA. Additionally, the Application requests that GCEC be allowed to transfer customer-specific information to Safford so that the transfer can be as seamless as possible for the customers involved. Finally, in order to facilitate the final transfer under the TSA by December 31, 2015, GCEC respectfully requests expedited consideration and approval of this Application no later than the Commission's December 2015 Open Meeting.

Background

GCEC is a non-profit electric distribution cooperative which received its CC&N in 1961. The Cooperative serves areas located south and east of the San Carlos Apache Indian Reservation,

excluding locations currently served by Safford and the Town of Thatcher. Safford is a municipal corporation of the State of Arizona that operates an electric distribution system both within and outside of its corporate limits.

Since 1946, GCEC and Safford have been parties to an agreement that has been the subject of substantial dispute, including litigation over the effect of Safford's annexation of areas within the Cooperative's CC&N service territory. In an attempt to resolve ambiguities created by the prior agreement and prevent future disputes, GCEC and Safford entered into the TSA in December 2008.

The TSA clarifies each party's electric service rights and responsibilities within the corporate limits of Safford beginning in January 2009 and establishes a procedure for addressing any territory expansion by Safford in the future. With regard to service within the current corporate limits, the TSA identified the SSA territory and provides for a staged transfer of that territory from GCEC to Safford. Specifically, the parties agreed to the following timeline and division of service rights within the SSA, with the ultimate goal being the complete transfer of the SSA territory to Safford by January 2016:

- 1) From January 2009 through December 2015, GCEC will continue to serve its existing customers in the SSA;
- 2) From January 2009 through December 2015, Safford will continue to serve its existing customers and have the right to connect new customers in the SSA;
- 3) From January 2009 through December 2012, GCEC will continue to serve the Wal-Mart Supercenter;
- 4) On December 31, 2012, GCEC will transfer to Safford the Wal-Mart Supercenter load and related infrastructure and Safford will serve that area going forward, and concurrent with that transfer, Safford will transfer to GCEC the right to serve the Safford Municipal Airport properties (outside of the SSA);
- 5) On December 31, 2015, GCEC will transfer to Safford all its remaining customers and electrical infrastructure within the SSA and Safford will serve that area going forward.

In January 2010 the Commission entered its Decision concluding that the TSA was in the public interest and approving the TSA. In addition, the Decision also approved GCEC's request to delete the SSA territory from the Cooperative's CC&N, with the exception of the locations that were not scheduled to be transferred to Safford until January 2016. With regard to those locations as well as the transfer of the distribution assets needed to serve those locations, the Decision required future action by the Commission. The current Application requests that action.

Staff's Review of the Electric Facilities

Commission Utilities Division Staff ("Staff") filed a report on October 19, 2009 documenting the results of its review of the April 2009 application by GCEC. An inspection was made in April 2009 of the Walmart Supercenter and the Airport facilities which were to be transferred on December 31, 2012. Staff also observed the distribution facilities that would be transferred to Safford on January 1, 2016. The following conclusions and recommendation were made in that report:

"Based on a field inspection of Graham's electric facilities relative to the transfer of Walmart connection in 2013 and a general review of the distribution

system in the Safford Area for transfer in 2016, including discussion with the GCEC Financial Manager Russ Barney, and with Dennis Kouts, Operational Specialist, Staff concludes that the transfer of assets in the Service Area to Safford is reasonable under the terms of the Application and is in the public interest. Staff does not believe that a detrimental impact to service reliability will occur as a result of the transfer. That is because the Cooperative will reconfigure the system by disconnecting its feed into the current load center and let Safford connect the affected customers to its present distribution system.

Therefore, based on Staff's aforementioned engineering review and inspection of the electric facilities to be transferred by GCEC to Safford, Staff recommends that the Cooperative's Application to amend its CC&N and transfer certain facilities to Safford per the TSA be approved."¹

On October 15, 2015, Staff received responses to informal data requests about changes to the GCEC and Safford distribution systems since the Decision was issued². Through GCEC legal counsel, Cooperative Staff confirmed that the transfer of Walmart and Airport facilities was accomplished in January, 2013 as planned and that there were no problems associated with the transfer, nor have any problems been encountered since then. In response to a question about changes to either the GCEC or Safford distribution systems since the Decision, GCEC staff outlined several changes that were made pursuant to a Wheeling and Transmission Agreement ("Agreement") between the two entities to increase reliability. Safford upgraded its substation and the 69 kV transmission switching capability to facilitate a 69 kV double circuit into the substation. A new 69 kV double circuit transmission line was built to provide a loop feed for reliability purposes and a primary distribution line was upgraded to handle the load. Under the terms of the Agreement, GCEC will own and operate the transmission line and Safford will own and operate the distribution line. In addition, Safford and GCEC have completed all necessary infrastructure and system upgrades to ensure that the customers transferred to Safford will receive the same quality of service.

Conclusions and Recommendations

Based on both the engineering work that was done in support of the original application as well as a review of the Agreement and of the responses to data requests about system changes that have occurred since the Decision, Staff has the following conclusions and recommendations:

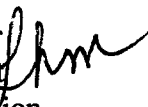
- 1) The transfer of assets in the SSA to Safford is reasonable under the terms of the Application and is in the public interest.
- 2) No detrimental impact to service reliability will occur as a result of the transfer.
- 3) The Cooperative's Application to amend its CC&N and transfer certain facilities to Safford per the TSA should be approved.


¹ Staff Memorandum, Prem Bahl to Alex Igwe, dated October 19, 2009, Docket No. E-01345A-08-0426.

² Determined to be the most expeditious way to handle data requests due to the time constraints involved.

MEMORANDUM

TO: Blessing Chukwu
Executive Consultant
Utilities Division

FROM: Lori H. Miller 
GIS Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: October 13, 2015

RE: GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. – APPLICATION TO
DELETE SAFFORD SERVICE AREA (DOCKET NO. E-01749A-09-0185)

The area requested by Graham County Electric Cooperative for a partial deletion of its CC&N has been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Attached is a copy of the map and the legal description for your files.

/lhm

Attachments

cc: Ms. Jennifer A. Cranston
Ms. Margaret "Toby" Little
Ms. Deb Person (Hand Carried)
File

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
DOCKET NO. E-01749A-09-0185

06	05	04	07S25E	03	02	01	06	05	04	07S26E	03	02	01			
07	08	09	10	11	12						10	11	12			
18	17	16	15	14	13						15	14	13			
19	20	21	22	23	24						21	22	23	24		
30	29	28	27	26	25						28	27	26	25		
31	32	33	34	35	36						31	32	33	34	35	36

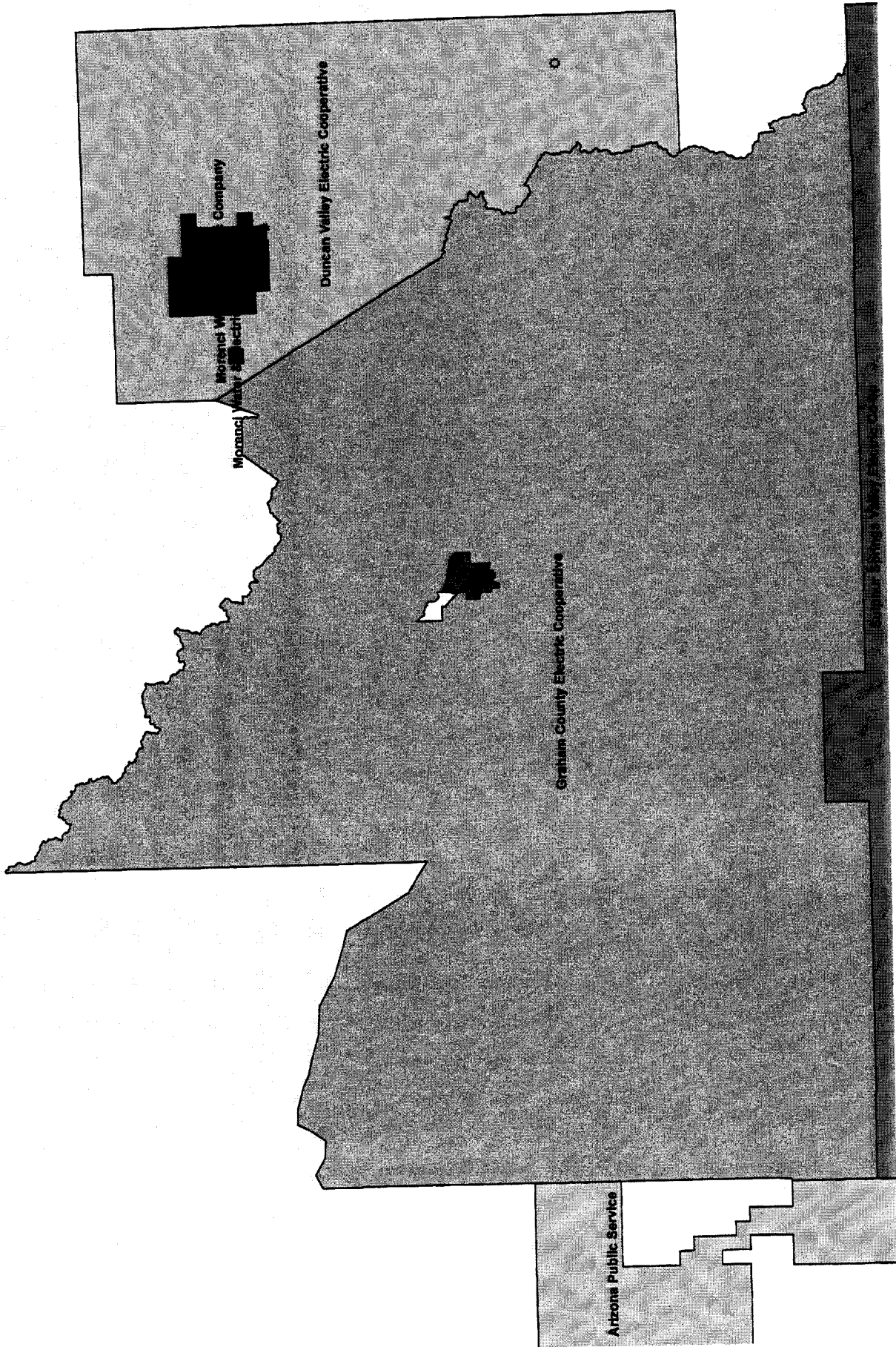


EXHIBIT "A"

SERVICE BOUNDARY DESCRIPTION:

A boundary description for the Municipal Electric Utility Service Area of the City of Safford, Arizona, encompassing all or portions of Sections 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 29, 30, Township 7 South, Range 26 East AND Sections 12, 13, 24, Township 7 South, Range 25 East, all of Gila and Salt River Meridian, Graham County, Arizona, said boundary being more particularly described as follows;

COMMENCING at the Northwest corner of said Section 6;

Thence South $00^{\circ} 02' 48''$ West, along the West line of said Section 6, a distance of 2,239.79 feet to a point of intersection of said West line and the approximate centerline of the Gila River being a curve concave to the Northeast and the POINT OF BEGINNING of said boundary;

Thence Southeasterly along said Gila River approximate centerline, being a curve to the left, having a chord bearing of South $66^{\circ} 56' 09''$ East, a distance of 6,564.66 feet, a radius of 10,856.29 feet, and a central angle of $35^{\circ} 11' 49''$ for an arc distance of 6,669.03 feet;

Thence continue along said centerline South $82^{\circ} 37' 14''$ East, a distance of 4,534.80 feet to a point of curvature of a curve concave to the Southwest;

Thence Southeasterly along said centerline, along said curve to the right, having a chord bearing of South $56^{\circ} 44' 25''$ East, a distance of 4,543.12 feet, a radius of 5,508.17 feet, and a central angle of $48^{\circ} 42' 40''$ for an arc distance of 4,682.88 feet to the northeast corner of the current City of Safford City Limit boundary, and the Center-East Sixteenth Corner of said Section 9;

Thence leaving said Gila River centerline, South $00^{\circ} 02' 13''$ East, along the eastern City of Safford's City Limit boundary, being adjacent to the East Sixteenth line of said Sections 9 AND 16, a distance of 5,278.64 feet to a point of intersection with the Union Canal being the Center-East Sixteenth Corner of said Section 16;

EXHIBIT "A"

Thence along said Union Canal, North $89^{\circ} 38' 26''$ West, along the East-West Mid-section line of said Section 16, a distance of 3,921.38 feet to the West Quarter Corner of said Section 16;

Thence South $00^{\circ} 15' 29''$ West, along the East line of said Section 17 a distance of 2,635.04 feet to the Southeast corner of said Section 17.

Thence South $00^{\circ} 14' 30''$ East, along the East line of said Section 20, being adjacent to Welker Lane, a distance of 4,905.90 feet to a point of intersection with the approximate centerline of the Highline Canal;

Thence along said Highline Canal approximate centerline the following twenty-eight (28) courses:

Thence North $75^{\circ} 56' 45''$ West, a distance of 68.33 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $79^{\circ} 33' 45''$ West, a distance of 73.48 feet, a radius of 397.86 feet, and a central angle of $10^{\circ} 35' 50''$ for an arc distance of 73.59 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $80^{\circ} 32' 16''$ West, a distance of 75.19 feet, a radius of 3,328.84 feet, and a central angle of $01^{\circ} 17' 39''$ for an arc distance of 75.19 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $81^{\circ} 38' 03''$ West, a distance of 163.39 feet, a radius of 1,186.43 feet, and a central angle of $07^{\circ} 53' 47''$ for an arc distance of 163.51 feet to a point of curvature of a curve concave to the Northeast;

EXHIBIT "A"

Thence Northwesterly, along said curve to the right, having a chord bearing of North $73^{\circ} 18' 03''$ West, a distance of 59.56 feet, a radius of 248.98 feet, and a central angle of $13^{\circ} 44' 24''$ for an arc distance of 59.71 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $67^{\circ} 15' 30''$ West, a distance of 172.18 feet, a radius of 727.86 feet, and a central angle of $13^{\circ} 35' 07''$ for an arc distance of 172.58 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $62^{\circ} 56' 58''$ West, a distance of 150.54 feet, a radius of 837.99 feet, and a central angle of $10^{\circ} 18' 24''$ for an arc distance of 150.74 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $61^{\circ} 14' 34''$ West, a distance of 88.94 feet, a radius of 364.17 feet, and a central angle of $14^{\circ} 01' 41''$ for an arc distance of 89.16 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $59^{\circ} 36' 04''$ West, a distance of 82.68 feet, a radius of 160.87 feet, and a central angle of $29^{\circ} 46' 58''$ for an arc distance of 83.62 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $46^{\circ} 35' 02''$ West, a distance of 291.92 feet, a radius of 675.72 feet, and a central angle of $24^{\circ} 56' 56''$ for an arc distance of 294.24 feet to a point of curvature of a curve concave to the Northeast;

EXHIBIT "A"

Thence Northwesterly, along said curve to the right, having a chord bearing of North $50^{\circ} 06' 45''$ West, a distance of 154.39 feet, a radius of 1,294.59 feet, and a central angle of $06^{\circ} 50' 14''$ for an arc distance of 154.48 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $85^{\circ} 53' 24''$ West, a distance of 116.27 feet, a radius of 87.40 feet, and a central angle of $83^{\circ} 23' 24''$ for an arc distance of 127.21 feet;

Thence South $39^{\circ} 34' 23''$ West, a distance of 197.30 feet to a point of curvature of a curve concave to the Northwest;

Thence Southwesterly, along said curve to the right, having a chord bearing of South $64^{\circ} 17' 24''$ West, a distance of 41.62 feet, a radius of 51.38 feet, and a central angle of $47^{\circ} 47' 16''$ for an arc distance of 42.85 feet;

Thence North $85^{\circ} 24' 00''$ West, a distance of 60.61 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $36^{\circ} 38' 44''$ West, a distance of 70.97 feet, a radius of 53.76 feet, and a central angle of $82^{\circ} 37' 02''$ for an arc distance of 77.52 feet;

Thence North $04^{\circ} 42' 28''$ East, a distance of 59.23 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $27^{\circ} 34' 28''$ West, a distance of 70.51 feet, a radius of 104.10 feet, and a central angle of $39^{\circ} 35' 27''$ for an arc distance of 71.93 feet to a point of curvature of a curve concave to the Southwest;

EXHIBIT "A"

Thence Northwesterly, along said curve to the left, having a chord bearing of North $57^{\circ} 05' 41''$ West, a distance of 140.61 feet, a radius of 208.76 feet, and a central angle of $39^{\circ} 21' 45''$ for an arc distance of 143.42 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $57^{\circ} 55' 34''$ West, a distance of 61.47 feet, a radius of 81.24 feet, and a central angle of $44^{\circ} 27' 19''$ for an arc distance of 63.03 feet;

Thence North $40^{\circ} 12' 21''$ West, a distance of 76.38 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $66^{\circ} 22' 14''$ West, a distance of 60.64 feet, a radius of 66.96 feet, and a central angle of $53^{\circ} 50' 39''$ for an arc distance of 62.93 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $85^{\circ} 06' 53''$ West, a distance of 81.55 feet, a radius of 384.94 feet, and a central angle of $12^{\circ} 09' 37''$ for an arc distance of 81.70 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North $85^{\circ} 27' 18''$ West, a distance of 99.14 feet, a radius of 701.53 feet, and a central angle of $08^{\circ} 06' 13''$ for an arc distance of 99.22 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North $83^{\circ} 38' 43''$ West, a distance of 112.93 feet, a radius of 483.08 feet, and a central angle of $13^{\circ} 25' 31''$ for an arc distance of 113.19 feet to a point of curvature of a curve concave to the Southwest;

EXHIBIT "A"

Thence Northwesterly, along said curve to the left, having a chord bearing of North 78° 54' 49" West, a distance of 161.39 feet, a radius of 957.47 feet, and a central angle of 09° 40' 09" for an arc distance of 161.58 feet to a point of curvature of a curve concave to the Northeast;

Thence Northwesterly, along said curve to the right, having a chord bearing of North 80° 10' 51" West, a distance of 109.94 feet, a radius of 338.75 feet, and a central angle of 18° 40' 43" for an arc distance of 110.43 feet to a point of curvature of a curve concave to the Southwest;

Thence Northwesterly, along said curve to the left, having a chord bearing of North 74° 30' 26" West, a distance of 212.44 feet, a radius of 2,508.66 feet, and a central angle of 04° 51' 13" for an arc distance of 212.51 feet to a point of intersection of the Highline Canal with the North-South Mid-section line of said Section 20;

Thence leaving said Highline Canal, South 00° 03' 08" East, along the North-South Mid-section line of said Sections 20 AND 29, being adjacent to Arizona State Highway 191, a distance of 1,802.19 feet to a point on the City of Safford's southern City Limit boundary;

Thence along said southern City Limit boundary the following eighteen (18) courses:

Thence South 89° 47' 27" West, a distance of 202.49 feet;

Thence South 00° 14' 08" East, a distance of 199.51 feet;

Thence South 89° 47' 28" West, a distance of 198.50 feet;

Thence South 00° 14' 12" East, a distance of 225.48 feet;

Thence South 89° 47' 30" West, a distance of 525.00 feet;

Thence South 00° 14' 10" East, a distance of 371.78 feet;

EXHIBIT "A"

Thence South 89° 55' 45" West, along the North Sixteenth line of said Section 29, a distance of 1,704.61 feet;

Thence North 00° 07' 49" West, along the West line of said Section 29, a distance of 1,317.71 feet;

Thence South 89° 47' 18" West, along the South line of said Section 19, a distance of 2,615.75 feet;

Thence South 00° 17' 29" East, a distance of 8.88 feet;

Thence North 89° 09' 06" East, a distance of 164.12 feet;

Thence South 80° 57' 10" East, a distance of 1,577.26 feet;

Thence South 41° 50' 05" West, a distance of 1,426.59 feet;

Thence South 89° 55' 45" West, a distance of 110.00 feet;

Thence South 00° 10' 25" East, a distance of 1,322.07 feet;

Thence South 89° 52' 51" West, along the East-West Mid-section line of said Section 30. a distance of 1,927.11 feet;

Thence North 00° 06' 11" East, along the West Sixteenth line of said Section 30, a distance of 2,589.18 feet;

Thence South 89° 47' 58" West, a distance of 1,322.45 feet to a point of intersection of said southern City Limit boundary with the City of Safford's western City Limit boundary;

EXHIBIT "A"

Thence along said western City Limit boundary the following thirteen (13) courses:

Thence North $00^{\circ} 02' 56''$ East, being adjacent to Twentieth Avenue, a distance of 3,742.22 feet;

Thence North $65^{\circ} 41' 15''$ West, a distance of 1,839.19 feet;

Thence South $82^{\circ} 18' 45''$ West, a distance of 924.50 feet;

Thence North $00^{\circ} 06' 09''$ East, along the North-South Mid-section line of said Sections 13 and 24, a distance of 4,917.39 feet;

Thence South $89^{\circ} 52' 59''$ East, along the North Sixteenth line of said Section 13, a distance of 2,634.80 feet;

Thence North $00^{\circ} 07' 21''$ East, along the West line of said Sections 7 and 18, being adjacent to Twentieth Avenue, a distance of 3,011.82 feet to a point of intersection of said West line and the South Right-of-Way line of Arizona State Highway 70 being a curve concave to the Northeast;

Thence Northwesterly along said South Right-of-Way line, along said curve to the right, having a chord bearing of North $52^{\circ} 13' 32''$ West, a distance of 612.03 feet, a radius of 3,695.58 feet, and a central angle of $09^{\circ} 29' 59''$ for an arc distance of 612.73 feet;

Thence leaving said South Right-of-Way line, North $00^{\circ} 25' 52''$ East, a distance of 1,864.49 feet;

Thence North $73^{\circ} 40' 50''$ East, a distance of 44.93 feet;

Thence North $79^{\circ} 11' 39''$ East, a distance of 106.30 feet;

Thence North $86^{\circ} 49' 49''$ East, a distance of 140.00 feet;

EXHIBIT "A"

Thence South $89^{\circ} 21' 17''$ East, a distance of 184.00 feet;

Thence North $00^{\circ} 03' 53''$ East, along the West line of said Sections 7 and 18, a distance of 1,304.25 feet;

Thence leaving said western City Limit boundary, North $00^{\circ} 02' 46''$ East, along the West line of said Section 6 a distance of 2,962.02 feet to the POINT OF BEGINNING.

MEMORANDUM
Updated October 27, 2015

TO: Blessing Chukwu
Executive Consultant
Utilities Division

FROM: Carmen Madrid
Public Utility Consumer Analyst
Utilities Division

DATE: April 24, 2009 – updated October 27, 2015

RE: **Graham County Electric Cooperative, Inc.**
Docket No. E-01749A-09-0185

Carmen Madrid

Graham County Electric Cooperative, Inc. has applied for amend its Certificate of Convenience and Necessity and to transfer certain of its assets to the City of Safford.

Per information received from the Corporations Section of the Arizona Corporation Commission on October 27, 2015, this company is in good standing.

In researching the Consumer Services database for complaints for this company, the following information was found;

- 2012 One complaint – billing
zero opinions
- 2013 One complaint – construction
zero opinions
- 2014 Two complaints – (1) billing, (1) deposit
zero opinions
- 2015 Four complaints – (3) billing, (1) disconnect/termination
zero opinions

All complaints have been resolved and closed.



City of Safford
Confidentiality Policy

"The City of Safford has the following practice concerning the disclosure of customer-specific information to third parties. Customer-specific information, such as that collected and used by the City of Safford for the determination of credit rating and security deposit at the time of new service connection, is not released without specific prior written customer authorization unless the information is requested by a law enforcement agency, is required for legitimate account collection activities, or is necessary to provide safe and reliable service to the customer. In addition, the City of Safford has a formal policy concerning the prevention and identification of identity theft with respect to its customers."

A handwritten signature in black ink, appearing to read "Horatio Skeete", written over a horizontal line.

Horatio Skeete, City Manager

**GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
GRAHAM COUNTY UTILITIES, INC.
9 West Center Street, P.O. Drawer B
Pima, Arizona 85543**

*Serving The Beautiful Gila Valley
In Southeastern Arizona*

*Telephone (928) 485-2451
Fax (928) 485-9491*

**Report on City of Safford Renewable Energy, Net Metering,
Energy Efficiency and Low-Income Assistance Programs**

In Decision No. 71471 dated January 26, 2010, the Commission ordered Graham County Electric Cooperative, Inc. ("GCEC") "after consultation with the City of Safford, [to] file with the Commission a report detailing the progress that has been made by the City of Safford toward developing renewable energy, net metering, energy efficiency and low-income assistance policies that approximate the programs that are currently available to the customers of Graham County Electric Cooperative." As instructed, GCEC has discussed these subject matters with City of Safford ("Safford") personnel and this is what we have been advised:

Renewable Energy / Net Metering

Safford does not have in place at this time rebates or incentives for customers to install renewable devices. Safford does, however, have a Net Metering Policy in place that allows customers to receive and carry credits from month-to-month for electricity a customer generates in excess of his/her usage.

Energy Efficiency / Low-Income Assistance

Safford advises that it does not have any energy efficiency rebate programs currently in place. On low-income assistance, Safford sponsors the "round up" program. Under this program, residents can choose to have their utility bill rounded up for a larger payment than the bill which is actually due. The difference is donated to a funding pool which goes towards assisting low-income individuals and senior citizens who need assistance with utility bill payments.

Than W Ashby

Than W. Ashby
Office Manager
Graham County Electric Cooperative, Inc.

ORIGINAL



0000104038

MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

EA for SMD

Date: October 19, 2009

RE: STAFF REPORT FOR THE APPLICATION OF GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY AND TO TRANSFER CERTAIN OF ITS ASSETS TO THE CITY OF SAFFORD. (DOCKET NO. E-01749A-09-0185)

Attached is the Staff Report for the application of Graham County Electric Cooperative, Inc. for the Arizona Corporation Commission authority to transfer certain of its assets to the City of Safford and to amend its Certificate of Convenience & Necessity in relation thereto. Staff recommends approval.

SMO:All:red

Originator: Alexander Ibhade Igwe, CPA

Attachment: Original and 13 Copies

Arizona Corporation Commission
DOCKETED
OCT 19 2009

DOCKETED BY	<i>M</i>
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RECEIVED
2009 OCT 19 P 4:02
AZ CORP COMMISSION
DOCKET CONTROL

Service List for: Graham County Electric Cooperative, Inc.
Docket No. E-01749A-09-0185

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**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

**GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
DOCKET NO. E-01749A-09-0185**

**APPLICATION FOR COMMISSION AUTHORITY TO AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY AND TO TRANSFER CERTAIN OF ITS ASSETS TO
THE CITY OF SAFFORD.**

OCTOBER 19, 2009

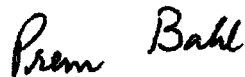
E-01749A-09-0185

STAFF ACKNOWLEDGMENT

The Staff Report for Graham County Electric Cooperative, Inc., Docket No E-01749-09-0185, was prepared by the Staff members shown below. Alexander Ihade Igwe was responsible for reviewing the application and performing pertinent financial analysis; Prem Bahl analyzed the engineering issues; and Carmen Madrid researched the Consumer Service issues in this proceeding.



Alexander Ihade Igwe, CPA
Executive Consultant III



Prem Bahl, P. E.
Utilities Engineer



Carmen Madrid
Public Utilities Consumer Analyst II

EXECUTIVE SUMMARY
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
DOCKET NO. E-01749A-09-0185

On April 17, 2009, Graham County Electric Cooperative, Inc. ("Graham" or "Cooperative") filed an application with the Arizona Corporation Commission ("Commission") for authorization to amend its Certificate of Convenience and Necessity ("CC&N") and to transfer certain of its assets to the City of Safford ("Safford" or "City").

Graham is a non-profit electric distribution cooperative, certificated by the Commission in Decision No. 33006, dated April 6, 1961, to operate and maintain an electrical system in most areas of Graham County. The Cooperative serves areas located south and east of the San Carlos Apache Indian Reservation, but excludes areas within the corporate boundaries of the City and the Town of Thatcher. Graham currently serves approximately 6,200 members through rates and charges that were approved by the Commission in Decision No. 70289, dated April 24, 2008.

The City of Safford ("Safford" or "City") is a municipal corporation that operates electric distribution systems within and outside its corporate boundaries.

Graham states that prior to 1946, the Arizona General Utilities Company ("AGU") was the sole provider of electric service within Graham County. In 1946, Graham, Safford and the Town of Thatcher ("Thatcher") jointly acquired the assets of AGU. On January 22, 1946, Graham, Safford and Thatcher entered into a joint contract ("the 1946 Agreement") whereby Safford and Thatcher acquired the assets within their respective boundaries while Graham purchased the remaining assets.

Graham claims that the City has exercised an Acquisition Clause in the 1946 Agreement, in annexing portions of its CC&N. Further, the Cooperative states that ambiguity surrounding interpretations of the 1946 Agreement has over the years resulted in many litigations. Graham and the City have pending counter lawsuit at Graham County Superior Court. As a result of the pending litigation, the Graham County Superior Court issued a preliminary injunction in 2005, restraining both parties from providing electric service to the Wal-Mart Supercenter.

On January 1, 2009, Graham and the City entered into a Territorial Settlement Agreement ("TSA"), in an attempt to fully resolve all issues surrounding service rights and obligations with the common service area. The TSA delineated a geographic area, known as the Safford Service Area ("SSA"), which with certain exceptions, is the area Safford has the right to serve under the terms of TSA. The TSA also authorizes Graham to continue to serve its existing customers within the redefined SSA, from January 1, 2009 through December 31, 2016. Further, the TSA permits Graham to sign-on new customers during the intervening period, only when the City does not have the facilities to serve the new customer, at the time of requesting service. Further, the TSA requires Graham to file a new application, no later than January 15, 2015, for Commission authority to transfer to the City, its customers and facilities within the SSA, effective January 1, 2016. In addition, the TSA provides for Graham to serve the Walmart Property and load ("Walmart") through December 31, 2012. Effective January 1, 2013, the

Cooperative is required to transfer the Walmart as well as the facilities for serving the load to Safford. In exchange, Graham would assume the right and responsibility for serving the Safford Municipal Airport. Also, the City will swap its distribution facilities for serving the Airport to Graham, in a quid pro quo transaction.

In this application, Graham seeks Commission authorization to:

1. Modify its CCN to exclude the SSA, subject to the exception sought in (2) below.
2. Retain the areas where it currently has customers and facilities within the SSA in its CC&N, through December 31, 2015.
3. Modify its CC&N to include Walmart, through December 31, 2012.
4. Modify its CC&N to exclude the Walmart, and transfer its distribution facilities for serving Walmart to Safford, effective January 1, 2013, with no further action of the Commission.

Staff has reviewed Graham's application and determined that the above transactions are in the public interest. Staff agrees with the Cooperative that the benefits of approving this application, far exceeds the demerits of a denial. First, it eliminates all disputed issues relating to the 1946 Agreement, and resolves pending litigations. Second, it eliminates the risk of the City obtaining Graham's customers and facilities within the SSA, by means of an Acquisition Clause in the 1946 Agreement; which the Cooperative considers to be unfavorable. Third, the TSA provides Graham with the opportunity to continue to serve its existing customers, and some opportunity to obtain new customers. As a result of this provision, the Cooperative's customers will not be immediately impacted by this transaction, but would have a lengthy transition period. Finally, it resolves all territorial disputes, and provides for an agreed-upon process for service territory expansion by both parties. Based on these factors, Staff recommends approval of this application.

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BACKGROUND

On April 17, 2009, Graham County Electric Cooperative, Inc. ("Graham" or "Cooperative") filed an application with the Arizona Corporation Commission ("Commission") for authorization to amend its Certificate of Convenience and Necessity ("CC&N"), and to transfer certain of its assets to the City of Safford ("Safford" or "City").

Graham is a non-profit, electric distribution cooperative certificated by the Commission in Decision No. 33006, dated April 6, 1961, to operate and maintain an electrical system in most areas of Graham County. The Cooperative serves areas located south and east of the San Carlos Apache Indian Reservation, but excludes areas within the corporate boundaries of the City and the Town of Thatcher. Graham currently serves approximately 6,200 members through rates and charges that were approved by the Commission in Decision No. 70289, dated April 24, 2008.

The City of Safford ("Safford" or "City") is a municipal corporation that operates electric distribution systems within and outside its corporate boundaries.

Graham states that prior to 1946, the Arizona General Utilities Company ("AGU") was the sole provider of electric service within Graham County. In 1946, Graham, Safford and the Town of Thatcher ("Thatcher") jointly acquired the assets of AGU. On January 22, 1946, Graham, Safford and Thatcher entered into a joint contract ("the 1946 Agreement") whereby Safford and Thatcher acquired the assets within their respective boundaries while Graham acquired the remaining assets. The 1946 agreement had an "Acquisition Clause", which states as follow:

"Safford and Thatcher, or either, upon the annexation or extension of their corporate limits, at any time in the future, of territory adjacent to either of the said towns, shall be sold the distribution facilities then existing in any such territory and owned by the Co-op upon a replacement new cost less depreciation basis, with no goodwill or going concern element considered, and in no event shall the Co-op require that condemnation proceedings be instituted for such acquisition."

Graham reports that since 1961, Safford has exercised the above Acquisition Clause in annexing several part of its certificated territory. Further, Graham states that because the 1946 Agreement was somewhat ambiguous, there have been on-going disputes between Safford and the Cooperative, regarding (1) rights, obligations and duties under the 1946 Agreement and Arizona laws, (2) provision of service to areas annexed by Safford, and (3) the correct interpretation and application of the Acquisition Clause. These disagreements have resulted in two litigations, ultimately decided by the Arizona Supreme Court. Graham cites the two cases as *Graham County Elec. Coop. v Town of Safford*, 84 Ariz, 15,322 P.2d 1078 (1958) ("Graham I") and *Graham County Elec. Coop. v Town of Safford*, 95 Ariz, 174, 388 P.2d 169 (1963) ("Graham II"). As of date, Graham and Safford have pending counter lawsuits, regarding which entity has the right to serve certain portions and customer loads within Safford. According to Graham,

these counter lawsuits have been consolidated into a single case, titled *City of Safford (Plaintiff/defendant) v. Graham County Cooperative Electric (Plaintiff/defendant)*, in Graham County Superior Court Case Nos. CV2005-081 and CV2005-083 ("the Litigation"). As a result of the pending Litigation, the Graham County Superior Court issued a preliminary injunction in 2005, restraining both parties from providing electric service to the Wal-Mart Supercenter.

TERRITORIAL SETTLEMENT AGREEMENT

On January 1, 2009, Graham and Safford entered into a comprehensive Territorial Settlement Agreement ("TSA"), in an attempt to fully resolve all disputed issues relating to the 1946 Agreement and the pending Litigations. The purpose of the TSA is to provide:

"...for a more orderly, mutually beneficial and rational allocation of electric service responsibilities within the corporate limits of Safford as they have expanded and as they will continue to expand from time to time in the future...."

By the TSA, the parties have delineated a geographic area, known as the Safford Service Area ("SSA"), which with certain exceptions, is the area Safford has the right to serve under the terms of agreement. The SSA encompasses the city limits, including areas in which Safford currently provides service, and certain areas in which it anticipates providing service in no distant future. The TSA requires Graham to seek Commission approval to modify portions of its CC&N overlapping the SSA, and to transfer certain of its assets to the City. However, the TSA authorizes Safford to continue to serve certain customers loads within the Safford Service area as follow:

"The Cooperative's CC&N will continue to include, and GCEC will have the right and obligation to serve, all of the existing loads and customers within the Safford Service Area that the Cooperative was serving as of January 1, 2009. These areas depicted on Exhibit 2 hereto, which shows the location of the Cooperative's distribution facilities (identified thereon in red as "GCEC Conductors") existing as of January 1, 2009 within the Safford Service Area that are used to serve existing loads and customers. To provide further clarity, a detailed list of the existing loads and customers covered by this exception is attached thereto as Exhibit 3."

As indicated above, the TSA provides for Graham to continue to serve its existing customers of record, as of January 1, 2009, within the redefined SSA, through December 31, 2015. The Cooperative currently serves approximately 682 customers within the TSA. On January 1, 2016, Graham is required by the TSA to transfer to Safford, all its customers and electric infrastructure within the SSA. To effectuate this provision, the TSA requires Graham to file a new application with the Commission, no later than January 15, 2015. The prospective application will request the Commission to delete any portion of its CC&N overlapping the SSA, and for authorization to transfer all its assets within the SSA to Safford, effective January 1,

2016. Upon approval of the January 15, 2015 filing, Safford will become the sole provider of electric service within the SSA.

Between January 1, 2009 and December 31, 2015, the TSA authorizes Graham to continue to sign-on two classes of prospective customers within the SSA. First, the TSA allows Graham to serve new or temporary loads that Safford does not have the necessary infrastructure to connect at the time service is requested. Second, Graham may provide service to new customers that request electric service directly from the Cooperative, prior to Commission approval of this application.

As it relates to the Walmart Supercenter load ("Walmart"), the TSA provides as follow:

"Through December 31, 2012, the Cooperative's CC&N will include, and the Cooperative will have the right and obligation to continue to serve, the Wal-Mart SuperCenter load, which is located within the Safford Service Area on a parcel of land in Safford bordered by 20th Avenue on the west and 17th avenue on the east, and by highway 70 on the north and 8th Street on the south, and which is more particularly described in Exhibit 4 hereto. The TSA provides that, subject to commission approval, Safford will then take over service to the Wal-Mart load on January 1, 2013, and GCEC will at that time convey to Safford its distribution facilities used in providing electric service to the Wal-Mart load."

Under the terms of the TSA, Graham is permitted to serve Walmart through December 31, 2012. On January 1, 2013, Graham will transfer Walmart and its infrastructure related thereto, to Safford. Concurrent with this transfer, Graham would assume responsibility for serving the Safford Municipal Airport properties ("Airport") from Safford, and acquire the City's infrastructure for serving the Airport, in a *quid pro quo* transaction. Because the Airport is currently within the Cooperative's CC&N, Graham contends that it would not require Commission prior authorization to serve the load.

THE TRANSACTION

The Cooperative seeks Commission authorization to:

1. Subject to the terms of the TSA as described in (2) below, delete the portion of Graham's CC&N within the redefined SSA.
2. Modify the Cooperative's CC&N to include areas and customers within the SSA, as described in Section 13(a) of this application.
3. As it relates to Walmart, the Cooperative seeks Commission authority to:
 - a. Modify its CC&N to include Walmart, from the effective date of the Commission decision through December 31, 2012,

- b. Delete Walmart from its CC&N, and transfer to Safford its electric infrastructure dedicated to serving Walmart, effective January 1, 2013.

STAFF ANALYSIS

Engineering Analysis

On July 14, 2009, Staff Engineer, Prem Bahl inspected the proposed SSA, accompanied by Dennis Kouts, the Cooperative's Operations Specialist. During this visit, Staff observed both Walmart and the Airport that would be swapped between Graham and Safford, on January 1, 2013. Staff also observed the distribution facilities that would be transferred by Graham to Safford, on January 1, 2016¹. A listing of Graham's current customers that would be transferred to Safford, showing their respective locations, classes and meter numbers is attached to this application as Exhibit 3. The inventory of facilities relative to these customers will be assessed and determined prior to the transfer of the remaining facilities on January 1, 2016. According to the Cooperative, it is in Graham's best interest to finalize this agreement to preserve the wheeling revenue from Safford and to save on expensive litigation fees.

Based on a field inspection of Graham's electric facilities relative to the transfer of Walmart connection in 2013 and a general review of the distribution system in the Safford Area for transfer in 2016, including discussions with the Cooperative's representatives, Staff concludes that the transfer of assets in the SSA is reasonable under the terms of the TSA, and is in the public interest. Staff does not believe that a detrimental impact to service reliability will occur as a result of the transfer. That is because the Cooperative will reconfigure the system by disconnecting its feed into the current load center and let Safford connect the affected customers to its present distribution system. Based on Staff's aforementioned engineering review and inspection of the electric facilities to be transferred by Graham to Safford, Staff recommends that the Cooperative's application to amend its CC&N and transfer certain facilities to Safford per the TSA be approved. Detail Engineering Analysis is attached as exhibit A.

Analysis of the Transaction

Existing and Prospective Customers within the SSA

Graham is requesting the Commission authority to delete the redefined SSA from its CC&N, except for portions of the SSA where it currently serves approximately 682 customers. The TSA authorizes Graham to continue to serve these customers through December 31, 2015. Also, the TSA authorizes Graham to sign-on new customers during the intervening period, only when Safford does not have the facilities to serve such a prospective customer. Graham states that such prospective customers will be served through a Borderline Agreement between the Cooperative and the City, subject to Commission approval. The TSA requires Graham to file a

¹ In accordance with the terms of the TSA, the distribution system, shown in red on Exhibit PB-1, and the customers being presently served by Graham will continue to be served by the Cooperative until December 31, 2015. These customers and the said distribution system facilities will be transferred to Safford on January 1, 2016.

new application, no later than January 15, 2015, for Commission authority to transfer all its customers and electric infrastructure within the SSA to Safford, effective January 1, 2016.

Staff's analysis indicates that the Company's proposal will result in fragmentation of Graham's CC&N within the SSA. As shown on the Cooperative's Exhibit 2 attached herewith, its customers are located in different portions of the SSA. Because Graham's customers are not located in a contiguous area, its subsisting CC&N will be scattered all over the SSA, if the Commission grants this request. Staff finds that fragmentation of Graham's CC&N within the SSA could result in customer confusion. However, Staff notes that perceived customer confusion is limited to the intervening period, from the effective date of a decision in this proceeding through December 31, 2015. In response to this concern, the Cooperative asserts that because its existing customers are known and the prospect of obtaining new customers is limited to the terms of the TSA, any customer confusion will be minimal. As shown on Exhibit 3, attached to this application, the Cooperative has provided a list of its current customers within the SSA, and agrees to provide an updated list by hearing date.

Staff agrees with the Cooperative that the benefits of approving this application, far exceeds the demerits of a denial. First, it eliminates all disputed issues relating to the 1946 Agreement, and resolves pending litigations. Second, it eliminates the risk of the City obtaining Graham's customers and facilities that are within the SSA, by means of an Acquisition Clause provided for in the 1946 Agreement; which the Cooperative considers to be unfavorable. Third, the TSA provides Graham with the opportunity to continue to serve its existing customers, and some opportunity to obtain new customers, through December 31, 2015. As a result of this provision, the Cooperative's customers will not be immediately impacted by this transaction, but would have a lengthy transition period. Finally, it resolves all territorial disputes, and provides for an agreed-upon process for service territory expansion by both parties. Based on these factors, Staff concludes that it is in the public interest to approve Graham's request to modify its CC&N within the SSA, as discussed above.

Staff did not find it necessary to analyze the Company's proposal to transfer its assets within the SSA to Safford, effective January 1, 2016. Staff believes that such analysis is best performed within the scope of its proposed January 15, 2015 filing. At that time, the Cooperative will be more able to identify such assets, the related sales price and net book value, and possible gains or losses relating thereto.

Walmart Property and Load

The Cooperative seeks Commission authority to include Walmart in its CC&N, from the effective date of a decision in this proceeding through December 31, 2012. According to the terms of agreement, on January 1, 2013, Graham will transfer Walmart, along with its related facilities to Safford. In return, Safford will transfer the Airport and the City's infrastructure for serving the Airport to Graham, in a quid pro quo transaction. In other words, this transaction will be effected through a swap, with no gain or loss to both parties. Finally, the Cooperative is requesting that the Commission to delete Walmart from its CC&N, effective January 1, 2013.

Staff finds that the TSA relating to this transaction is in the public interest. First, this agreement eliminates the legal dispute between Graham and the City regarding each party's right to serve the Walmart. Second, it guarantees a significant stream of revenue to the Cooperative through December 31, 2012. Third, it provides the Cooperative with the ability to earn continuous stream of income, once it assumes responsibility for serving the Airport. Staff agrees with Graham's assertion that because the Airport is currently located within its CC&N, it would not require Commission approval to commence serving it, effective January 1, 2013. Unlike the individual customers discussed above, Walmart is a distinct entity with a sizeable load. As a result, its addition and deletion from Graham's CC&N will be seamless. Based on these factors, Staff concludes that the Cooperative's proposal regarding Walmart is in the public interest.

PUBLIC NOTICE

On September 23, 2009, Graham published a notice of this application in the *Eastern Arizona Courier*, a newspaper of general circulation within and around its service territory. The related *Affidavit of Publication* was filed with Docket Control on October 2, 2009. Also, on October 2, 2009, the Cooperative provided an *Affidavit of Mailing* indicating that the same notice was mailed to all customers of record as well as 20 property owners holding 40-acres or larger parcels of undeveloped land, within the SSA.

CONSUMER SERVICE ISSUES

Staff's inquiry confirmed that Graham was in good standing with the Corporation Division of the Commission.

Our search of Consumer Services database from 2006 through October 6, 2009, indicates that the Cooperative had 13 complaints and 4 inquiries. The complaints and inquiries relate primarily to billing, rate case and service issues. The complaints have been fully resolved and closed.

CONCLUSION AND RECOMMENDATIONS

Staff finds that Graham's application to modify its CC&N to be consistent with the terms of the TSA, and in the public interest.

Staff recommends Commission approval of Graham's application to modify its CC&N to exclude the SSA, subject to the exception provided for by the TSA.

Staff further recommends that the Commission grant Graham's request to modify its CC&N to include all areas within the SSA, where it currently provides electric service, as depicted by the red lines shown on the Cooperative's Exhibit 2, attached herewith.

Staff further recommends that the Commission approve Graham's application to include Walmart in its CC&N, from the effective date of the decision in this proceeding through December 31, 2012.

Staff further recommends that the Commission grant Graham's request for deletion of Walmart from its CC&N, effective January 1, 2013.

Staff further recommends approval of Graham's request for Commission authority to transfer to Safford, Walmart, as well as its electric infrastructure for serving Walmart, effective January 1, 2013. Staff recommends that this approval become effective on January 1, 2013, with *no further action of the Commission.*

Staff further recommends authorizing Graham to engage in any transactions and to execute or cause to be executed any documents so as to effectuate the authorizations requested with the application. Staff recommends that Graham files all pertinent documents evidencing the consummation of this transaction, no longer than 30 days from the effective date of transaction.

MEMORANDUM

To: Alex Igwe
Executive Consultant
Utilities Division

From: Prem Bahl *Prem*
Electric Utilities Engineer
Utilities Division

Date: October 19, 2009

Subject: Graham County Electric Cooperative, Inc. to Amend its Certificate of Convenience and Necessity and to Transfer Certain of its Assets to the City of Safford
Docket No. E-01345A-08-0426

On April 17, 2009, Graham County Electric Cooperative ("Graham," "GCEC" or "Cooperative") submitted an application ("Application") to the Arizona Corporation Commission ("Commission") for authorization to amend its CC&N and to:

- Sell GCEC electric assets to the City of Safford ("Safford") in an area ("Service Area") delineated in the Territorial Settlement Agreement ("TSA") accompanying the Application. The map of the Service Area is attached herewith as Exhibit PB-1. The GCEC's Transmission Map is attached as Exhibit PB-2.
- Relinquish to Safford the right, obligation and responsibility to provide electric service to the customers in the Service Area as defined in the TSA accompanying the Application as Exhibit 1.

Utility Overview

GCEC is a non-profit, electric distribution cooperative, which supplies service to approximately 6,200 members in Graham County, Arizona. Safford is a municipal corporation in the State of Arizona, which operates and maintains an electric distribution system within its corporate boundaries to serve its load. GCEC also operates and maintains the distribution system to serve its load within the Safford Area (See red distribution lines in Exhibit PB-1). GCEC and Safford have an Agreement by which Safford can acquire (upon payment and other conditions) certain electric facilities of GCEC and thereafter provide electric service to customers in its corporate boundaries.

Background

In 1946, Graham, Safford and the town of Thatcher ("Thatcher") jointly purchased the electric system from Arizona General Utilities Company. Safford and Thatcher acquired the facilities within their respective city limits and Graham acquired the rest of the facilities in Graham County. In an agreement known as the "46 Agreement," both municipalities could acquire the facilities and service territory from GCEC upon annexation for replacement cost less depreciation.

The TSA was entered into to settle litigation and to preserve GCEC's wheeling revenue from Safford. With the completion of the new 69 kV transmission line from the Hackberry Substation to the Thatcher Plant by Southwest Transmission Cooperative, Inc. ("SWTC"), Safford would be able to build a new substation in its service territory tapping into this 69 kV transmission, if it chose to do so. That would result in GCEC losing wheeling revenue from Safford. One of the motivations for GCEC to enter into the TSA was to preserve its revenue stream from Safford.

Staff's Review of the Electric Facilities

On July 14, 2009, Prem Bahl, Commission Utilities Division Staff ("Staff") toured the Service Area, accompanied by Dennis Kouts, Operations Specialist, and observed the Wal-Mart facility to be transferred to Safford, and the airport facility that would be transferred to GCEC in exchange of the Wal-Mart transfer. Both transfers are scheduled to take place on January 1, 2013. Staff also observed the distribution facilities that would be transferred to Safford on January 1, 2016¹. A list of the current customers that would be transferred to Safford showing their respective locations, classes and meter numbers is attached to the Application as Exhibit 3. The inventory of facilities relative to these customers will be assessed at that time, and determined prior to the transfer of the remaining facilities on January 1, 2016. According to the TSA, the formula for the cost of facilities to be transferred to Safford in 2016 will be replacement cost new less depreciation, with a minimum price of \$950,000 and a maximum price of \$1,250,000. According to the Cooperative, it is in Graham's best interest to finalize this agreement to preserve the wheeling revenue from Safford and to save on expensive litigation fees.

Conclusions and Recommendations

The Cooperative and the City have spent decades dealing with the difficulties and vagaries created by the 1946 Agreement. GCEC has incurred a great deal of time and legal expense in litigation and other disputes with Safford regarding its application and enforcement. For more than two years, the Cooperative, its Board and other representatives have expended considerable effort negotiating the TSA as a comprehensive solution to these longstanding

¹ In accordance with the terms of the TSA, the distribution system, shown in red on Exhibit PB-1, and the customers being presently served by Graham will continue to be served by the Cooperative until December 31, 2015. These customers and the said distribution system facilities will be transferred to Safford on January 1, 2016.

Graham County Electric Cooperative, Inc.
To amend its CC&N to transfer its assets to the City of Safford
Page 3 of 3

disputes. Both utilities, Safford and GCEC agree that the TSA will best serve not only the short- and long-term interests of the Cooperative and its members, but the best interests of all residents of Safford and Graham County.

Based on a field inspection of Graham's electric facilities relative to the transfer of Wal-Mart connection in 2013 and a general review of the distribution system in the Safford Area for transfer in 2016, including discussion with the GCEC Financial Manager Russ Barney, and with Dennis Kouts, Operational Specialist, Staff concludes that the transfer of assets in the Service Area to Safford is reasonable under the terms of the Application and is in the public interest. Staff does not believe that a detrimental impact to service reliability will occur as a result of the transfer. That is because the Cooperative will reconfigure the system by disconnecting its feed into the current load center and let Safford connect the affected customers to its present distribution system.

Therefore, based on Staff's aforementioned engineering review and inspection of the electric facilities to be transferred by GCEC to Safford, Staff recommends that the Cooperative's Application to amend its CC&N and transfer certain facilities to Safford per the TSA be approved.

GALLAGHER & KENNEDY

P.A.
LAW OFFICES

MICHAEL M. GRANT
DIRECT DIAL: (602) 530-8291
E-MAIL: MMG@GKNET.COM

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AZ CORP COMMISSION
DOCKET CONTROL

2575 EAST CAMELBACK ROAD
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October 2, 2009

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OCT 05 2009

AZ CORP COMM
Director Utilities

HAND DELIVERED

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Re: *Affidavit of Publication and Affidavit of Mailing in Relation to Graham County Electric Cooperative, Inc.'s ("GCEC") Application to Amend Its Certificate of Convenience and Necessity and Transfer Certain Assets to the City of Safford; Docket No. E-01749A-09-0185*

Dear Sir or Madam:

Enclosed are (1) the original and 13 copies of the Affidavit of Publication confirming published notice in this matter in the *Eastern Arizona Courier*, a newspaper of general circulation in Safford, Arizona and (2) the original and 13 copies of GCEC's Affidavit of Mailing of the notice in compliance with the requirements of the August 31, 2009 procedural order.

Your assistance in relation to this matter is appreciated.

Very truly yours,

GALLAGHER & KENNEDY, P.A.



By:

Michael M. Grant

MMG/plp
10430-13/2243161
Enclosures

cc (w/enclosures): Maureen Scott, Legal Division (delivered)
Alexander Igwe, Utilities Division (delivered)

Original and 13 copies filed with Docket
Control this 2nd day of October, 2009.

AFFIDAVIT/PROOF OF PUBLICATION

EASTERN ARIZONA COURIER

301A E. Hwy 70 Safford, AZ 85546

Phone: (928)428-2560/Fax: (928)428-5396

E Mail: mwatson@eacourier.com

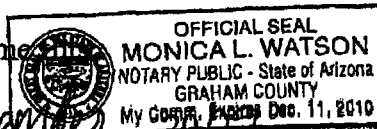
I, Doris A. Glenn, being duly sworn deposes and says; that she is the legal clerk of the EASTERN ARIZONA COURIER, a newspaper published in the City of Safford, Graham County, Arizona; that the legal described as follows:

Notice of Application by
Graham County Electric
Docket No. E-0149A-09-0185

a copy of which is hereunto attached, was first published in said newspaper in its issue dated September 23, 2009 and was published in each 1 issue(s) of said newspaper for 1 consecutive weeks/ issues, the last publication being in the issue dated September 23, 2009.

Signed: Doris A. Glenn

Subscribed and sworn to before me



29 day of September, 2009

Monica L. Watson
Notary Public

My Commission expires: December 11, 2010

NOTICE OF APPLICATION BY GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. FOR PERMISSION TO TRANSFER CERTAIN ASSETS TO THE CITY OF SAFFORD AND TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
DOCKET NO. E-01749A-09-0185

On April 17, 2009, Graham County Electric Cooperative, Inc. ("GCEC") filed an application with the Arizona Corporation Commission ("Commission") to transfer certain assets to the City of Safford and to amend its Certificate of Convenience and Necessity. The Application is available for inspection during regular business hours at the offices of the Commission in Tucson at 400 West Congress Street, Suite 218, Tucson, Arizona; in Phoenix at 1200 West Washington Street, Phoenix, Arizona; or on the Commission's website, www.azcc.gov, by using the eDocket link, as well as at the offices of GCFC, 9 West Center, Pima, Arizona.

The Application concerns an agreement reached between GCEC and the City of Safford which involves the transfer of certain electric service territory and the right to supply electricity to that area from GCEC to the City. A mailing of notice will be made to persons currently receiving service from the Cooperative in this area. In general, what the agreement provides is that the City of Safford will supply electricity to any new customers wanting to establish service in this area. However, if you currently receive electric service in this area from the Cooperative, you will continue to be GCEC's customer until January 1, 2016.

The Commission will hold a hearing on this matter on November 17, 2009, at 10:00 a.m., or as soon thereafter as is practical, at the Commission's Tucson offices, Room 222, 400 West Congress Street, Tucson, Arizona 85701.

You may have the right to intervene in the proceedings and participate as a party. Intervention will be in accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed by October 23, 2009. Persons desiring to intervene must file a written motion with the Commission and send such motion to the Applicant or its counsel. The motion must, at a minimum, contain the name, address and telephone number of the proposed intervenor, a short statement of the proposed intervenor's interest in the proceeding, and a statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel, and to all parties of record in the case.

If you have questions about this application, you may contact the Applicant at (928) 485-2451. Comments may also be made by writing to the Commission in care of Docket Control, 1200 West Washington Street, Phoenix, Arizona 85007. All correspondence should contain the Docket No. E-01749A-09-0185. If you want further information on intervention or have questions on how to file comments, you may contact the Consumer Service Section of the Commission at 400 West Congress Street, Suite 218, Tucson, Arizona 85701 (1-800-535-0148), or 1200 West Washington Street, Phoenix, Arizona 85007 (1-800-222-7000).

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SBernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
GRAHAM COUNTY UTILITIES, INC.
9 West Center Street, P.O. Drawer B
Pima, Arizona 85543

*Serving The Beautiful Gila Valley
In Southeastern Arizona*

Telephone (928) 485-2451
Fax (928) 485-9491

AFFIDAVIT OF MAILING

I, Than W. Ashby, an employee of the Graham County Electric Cooperative, Inc. ("GCEC"), certify that on September 22, 2009 I caused to be deposited in the United States Mail, postage pre-paid, a copy of the attached Notice of Application addressed to (1) all GCEC members who are actively receiving service in the Safford Service Area as set forth in Exhibit 3 to the Application and (2) 20 property owners who hold 40 larger, undeveloped land parcels within the Safford Service Area.

Further your affiant sayeth not.

Than W. Ashby
(Signature of person superintending mailing)

State of Arizona

County of Graham

On this 22 day of September, 2009 before me personally appeared Than W. Ashby
(Date) (Month) (Year) (Printed Name of Employee)

known (or satisfactorily proven) to me to be the person who executed the Affidavit of Mailing and acknowledged to me that he/she executed the same.

Susan Romney
(Signature of Notary Public)

Stamp/Seal as required



**NOTICE OF APPLICATION BY
GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
TO TRANSFER CERTAIN ASSETS TO THE CITY OF SAFFORD
AND AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
DOCKET NO. E-01749A-09-0185**

Graham Electric Cooperative, Inc. ("GCEC"), your electric service provider, and the City of Safford have entered into an agreement which involves the transfer of certain electric service territory—including the area where you currently receive or may receive electric service—and the right to supply electricity to that area from the Cooperative to the City. A map outlining the boundaries of that area is attached.

In general, what this means is that the City will supply electricity to any new customers wanting to establish service in this area. However, if you currently receive electric service from the Cooperative, you will continue to be GCEC's customer until January 1, 2016.

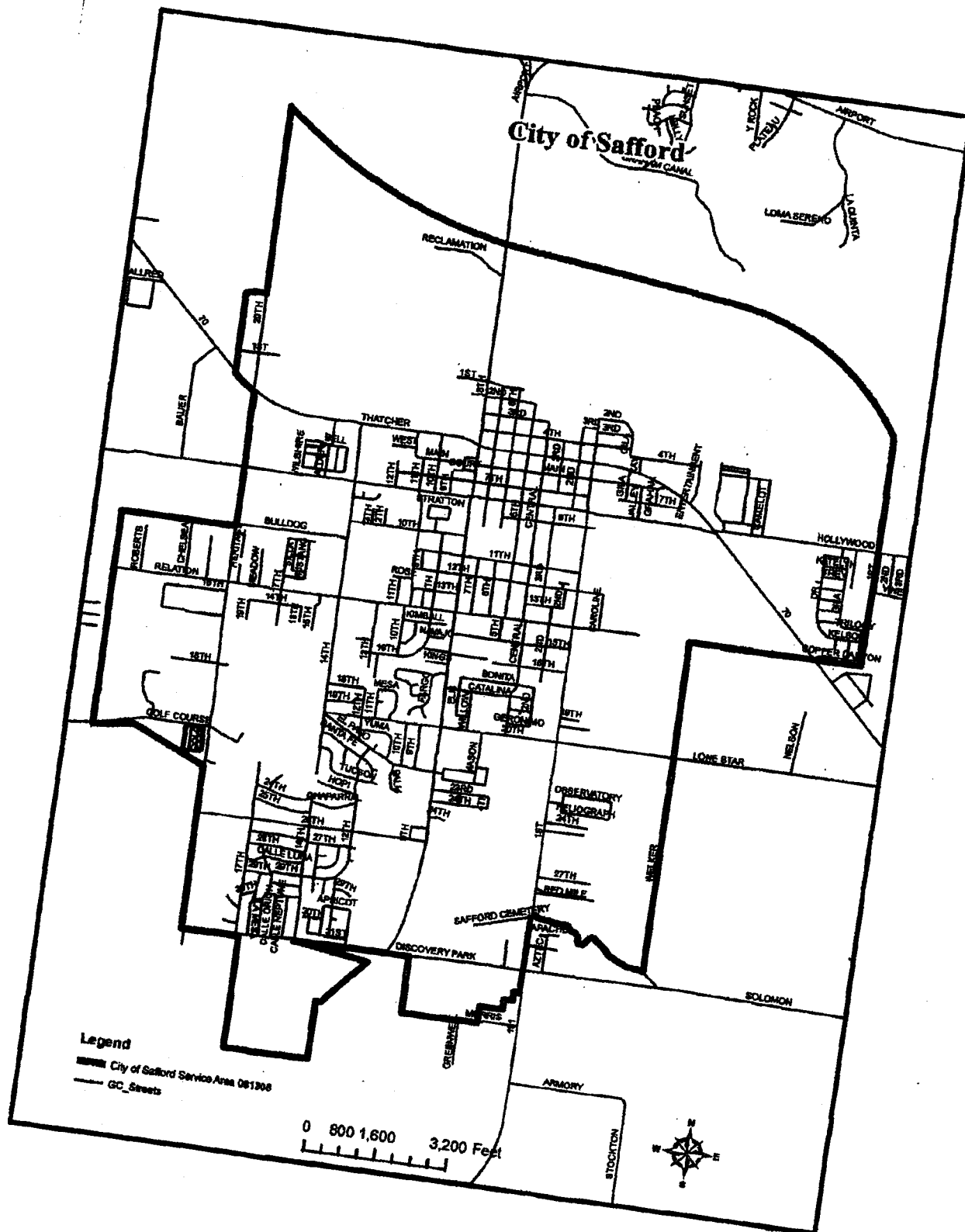
On April 17, 2009, GCEC filed an application with the Arizona Corporation Commission ("Commission") to amend its Certificate of Convenience and Necessity to reflect this change in service territory. The Commission's docket number for this Application is E-01749A-09-0185. If you have questions about the Application, please contact the Cooperative at (928) 485-2451 and ask for Dennis Kouts or Steve Lines. The application is also available for review at the Cooperative's offices at 9 West Center, Pima, Arizona and at the offices of the Commission in Tucson at 400 West Congress Street, Suite 218, Tucson and in Phoenix at 1200 West Washington Street and on the Commission's website, www.azcc.gov, by using the eDocket function.

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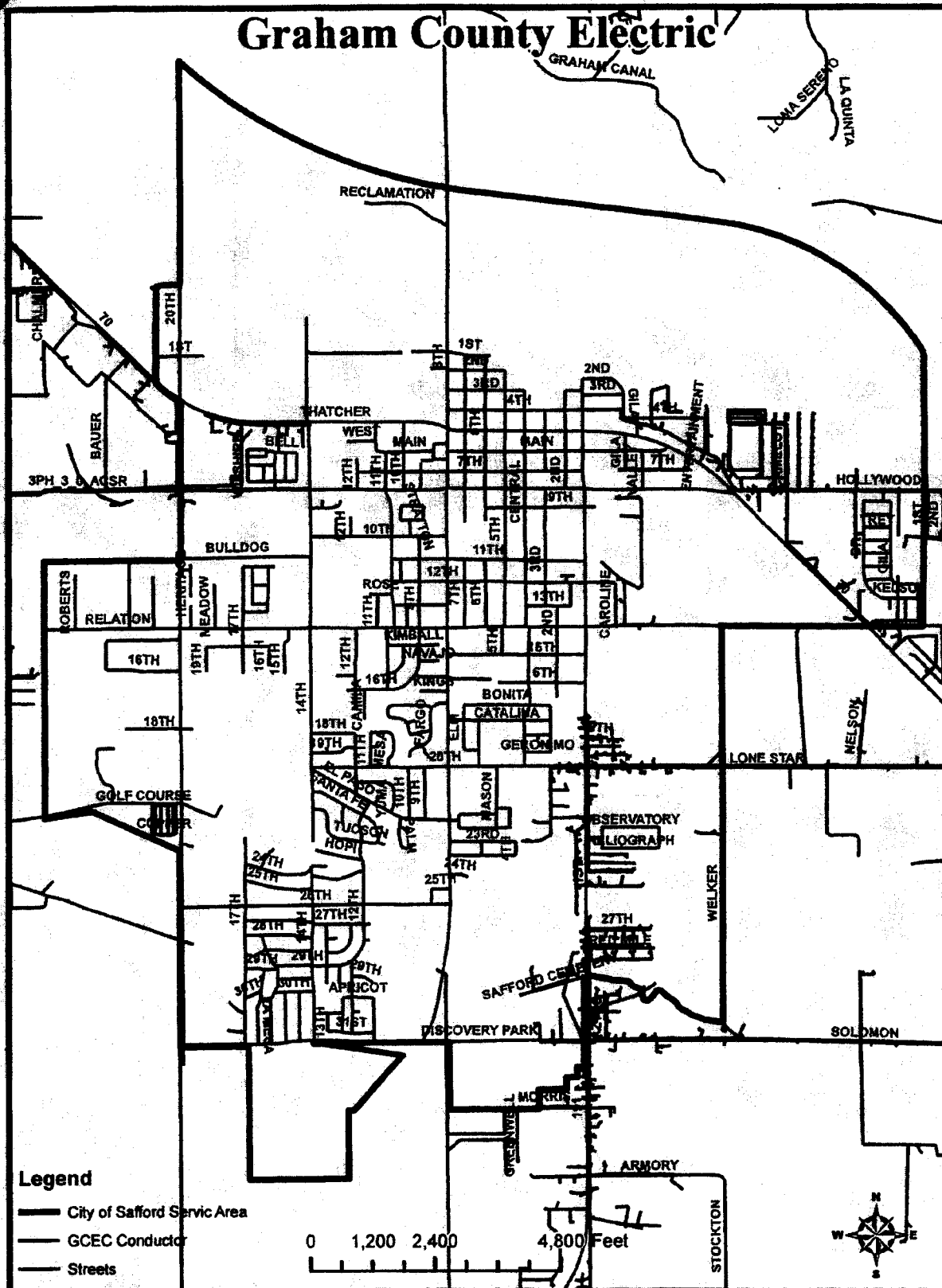


Exhibit KG-4

Graham County Electric Cooperative, Inc.
ACC Docket No. E-01749A-09-0185
Comparison of Rates and Terms of Service

Pursuant to Decision No. 70289 in Docket No. E-01749A-07-0236, Graham County Electric Cooperative, Inc. ("GCEC") currently has in place the following relevant¹ tariffs:

- Rate Schedule A, Residential Service
- Rate Schedule B, General Service & Small Commercial
- Rate Schedule C, Large Commercial and Gins
- Rate Schedule I, Irrigation Service
- Rate Schedule SCL, Security Lighting
- Rate Schedule SC, Service Charges
- Schedule EM, Estimation Methodologies
- Schedule NM, Net Metering Tariff²

The City of Safford ("Safford") has in place the following relevant tariffs:

- Rate Schedule ER, Residential Service
- Rate Schedule EC, General Commercial Service
- Rate Schedule ECLD, Large Commercial Service
- Adjustment Schedule PPA, Purchased Power Adjustment

The chart below compares GCEC's and Safford's rates and charges:

	GCEC	Safford
Residential monthly minimum charge	\$9.00	\$9.00
Residential commodity charge per kWh	\$0.11038	\$0.0935
Small Commercial monthly minimum charge	\$15.00	\$12.00
Small Commercial commodity charge per kWh	\$0.10969	\$0.1000
Large Commercial monthly minimum charge	\$50.00	\$50.00
Large Commercial commodity charge per kWh	\$0.09876	\$0.0660

¹ GCEC also has certain tariffs in place that are not relevant to this proceeding because (1) they do not apply to the GCEC customers currently located in the Safford Service Area and/or (2) the City of Safford does not have a comparable schedule or program. Those GCEC tariffs include Rate Schedule OIR (Optional Interruptible Rate For Irrigation Pumps 50 HP or Greater), Rate Schedule SL (Street Lighting), Rate Schedule CP (Contract Power Service), Schedule QF (Co-Generation Qualifying Facilities and Small Power Production Facilities Under 100 kW), Schedule Cogen (Optional Electric Service For Qualified Cogeneration And Small Power Production Facilities Over 100 kW), Schedule A-DSM (Demand Side Management Adjustment), Renewable Energy Standard Tariff and Experimental Schedule A-TOU (Residential Time of Use Service).

² GCEC's current net metering tariff was approved in Decision No. 74874 in Docket No. E-01749A-14-0257.

Exhibit KG-4

Irrigation Service monthly minimum charge	\$23.00	\$12.00
Irrigation Service commodity charge per kWh	\$0.11554	\$0.1000
Security Lighting monthly minimum charge (small)	\$5.77	\$8.00 (residential) \$12.00 (commercial) \$8.00 (government)
Security Lighting monthly minimum charge (large)	\$7.06	N/A
Security Lighting commodity charge per kWh	\$0.07651	\$0.1000 (commercial)
New or Additional Service Connection charge	\$10.00	\$25.00
Service Connection Callbacks	\$10.00	N/A
Service Calls after Regular Business hours	\$50.00	\$35.00
Disconnects	\$10.00	N/A
Reconnects during Regular Business hours	\$10.00	N/A
Reconnects after Regular Business hours	\$30.00	\$35.00
Returned Check Fee	\$25.00	\$27.50 (check) \$35.00 (electronic payment)
Late Payment Charge	1.5%	5% (after first warning) Greater of \$10.00 or 5% (for repeat occurrences)
Meter Test	\$10.00	N/A
Meter Rereads (if original not in error)	\$10.00	N/A
Purchased Power Adjustment	(\$0.005) ³	\$0.024

In addition to the above-referenced rates and charges, GCEC and Safford have in place the following relevant terms of service policies:

Meter Readings:

- GCEC's meter readings and billings are based on actual meter readings, which readings are made as close as practical on the same day of each month on a cycle basis. However, in the event that a valid meter reading cannot be acquired, GCEC applies the estimation procedures set forth in its Schedule EM.
- Safford's meter reading and billing practices are set forth in Municipal Code § 13.04.150. Bills are based on actual meter readings except when specified otherwise in the city code. Meter readings are made as closely as practical on the same day of each month. Meters shall be readily accessible to the meter reader. The customer shall maintain said access in such manner that will not be hazardous or difficult to the meter reader. If access does not

³ Per GCEC's PPA filing in Docket No. E-01749A-07-0236 on September 10, 2014.

comply with the above, billing may be averaged until such time as satisfactory access is restored. Also, pursuant to § 13.04.080, if a meter is found to be not registering or registering incorrectly, the charge for that utility service, for the period then ending, shall equal the charge for the same service for a like period.

Terms of Payment:

- GCEC's bills for electric service are due and payable no later than fifteen (15) days from the billing date. Bills become delinquent (and subject to a late payment charge) twenty-five (25) days from the billing date and are subject to disconnect upon five (5) days written notice.
- Pursuant to Safford's Municipal Code § 13.04.160, all charges for utility service shall be due and payable on the first day of the month and shall be deemed delinquent after the twentieth day of the calendar month. Section 13.04.200 provides that, if the charges for utility service for any month, or partial month, be not fully paid before the close of the business day of the twenty-fifth day of the month following the period for which such charges are incurred, the utility service shall be discontinued.

Line Extensions:

- Pursuant to GCEC's line extension tariff, upon request, GCEC shall prepare, without charge, a preliminary sketch and rough estimate of cost of installation to be paid by the applicant. If the applicant requests detailed plans, specifications or costs estimates, a deposit may be required. The details of a line extension agreement shall be set forth in a written agreement, which shall include payment terms and refunding provisions, if applicable. No footage or equipment allowance are provided by GCEC at no charge.
- Safford requires the applicant to provide engineered electrical plans to the Planning and Community Services department. After approval, Safford provides to the applicant an estimate for material and labor without charge. A line extension is typically approved through a plan review process, and any refund arrangements are memorialized in a development agreement.

Net Metering:

- Under GCEC's net metering tariff, if the electricity generated by the customer's net metering facilities and delivered back to GCEC exceeds the electric kWh energy supplied in the billing period, the excess kWh is credited to reduce the kWh supplied and billed during subsequent billing periods. Once each calendar year, GCEC issues a check or billing credit for the balance of any credit due.
- Safford adopted a net metering policy in 2010 pursuant to which a customer's net excess generation is carried over to the customer's next bill as a kWh credit. Any credit balance remaining at the end of the calendar year is not carried forward or otherwise credited to the customer's account.